

06 MARCH 2019
MARKET SNAPSHOT

US

US stocks continued the Monday's red trend, Dow Jones was down 0.05%, S&P and Nasdaq were down 0.11% and 0.02% respectively. The yield on 10Y UST slipped 2bps through the day but rebounded to 2.70% by the end of the day. As for macro data in the US, February Markit Services PMI index rose to 56 from 54.2 in January, composite PMI index rose to 55.5 from 54.4 in January though slightly lower than 55.8 reported a year ago.

AUSTRALIA

Australian economic growth slowed down from the 3% expectation to 2.3%, mainly due to drought hits to farming. Asian stocks are trading mixed this morning, Hang Seng and CSI300 are up 0.21% and 0.24% respectively, while Nikkei is down 0.75%.

UK

Mark Carney has spoken out against the Retail Price Index as a measure of inflation in the House of Lords. The main argument against the use of RPI is inaccuracy and high cost to the UK government, GBP 1bn annually due to higher interest payments to bondholders. Yield on 10Y UKT gained 0.5bps from 1.2828 to 1.2862%, the Pound finished the day at USD 1.3178 level.

GREECE

Greece held its first 10-year bond issue since the crisis and bailout after a successful 7Y deal last month. There were EUR 11.8bn of bids, out of which EUR 2.5bn was raised for the bonds with 3.9% yield. The Euro slipped from 1.1340 to 1.1308 over the course of the day, yield on 10Y DBR gained 0.5bps from 0.1619% to 0.1668%.

RUSSIA

The Ruble depreciated slightly to 65.81 per USD, RUSSIA47 traded flat at high 98s levels. Russian corporates traded mixed, AKBHC 9 1/4 PERP outperformed, gaining 130bps. Russian ministry of finance will offer two long bullet bonds in today's OFZ auction - RFLB 34 (YTM 8.53%) and RFLB 26 7.95 (YTM 8.35%), the expected allocation is approximately RUB 40bn.

LATAM

In Mexico President Obrador has spoken out against rating agencies following S&P's credit downgrade of both Mexican sovereigns and Pemex. S&P has commented there is "a possibility of at least one in three that we will lower the sovereign rating during the coming year". Mexican peso slightly appreciated to 19.2471 per USD. BRAZIL47 and ARGENT48 wrote off 30 and 90 bps respectively.

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