

04 MARCH 2019  
MARKET SNAPSHOT

## US

US stocks traded up on Friday, mainly due to optimistic outlooks on the US-China trade situations, Dow Jones and S&P gained 0.69% and 0.43% respectively, Nasdaq outperformed, up 0.83%. The yield on 10Y UST finished Friday trading up 5bps since Thursday morning, trading at 2.76%. Donald Trump continued with his criticisms of FED and its chairman Jerome Powell. In a speech on Saturday the US president mentioned the US dollar is too strong and said the Federal Reserve should continue the rate hike and undertaking quantitative tightening.

## ASIA

The trade optimism was reciprocated from the Chinese side as well, and while Chinese officials made it clear that USD 200bn worth of removed duties on Chinese products is a necessity for the trade agreement, multiple sources have reported a new agreement is being finalised. Asian stocks traded in the green this morning following the positive outlook, Nikkei and Hang Seng added 1.10% and 1.16% respectively, CSI300 is currently up 2.96%

## OIL

Brent oil is trading up 0.43% following Friday as Russia reduced its export to 11.336 million barrels a day and Venezuelan exports of crude dropped to their lowest level since early 2017.

## UK

Prime Minister Theresa May has improved chances of her deal going through next Tuesday. Tory Brexit supporters have outlined the terms for supporting the Prime Minister's plan, which included a guarantee that the Irish backstop would be temporary, as reported by Sunday Times. While there was some backlash to Mrs. May's promised GBP 1.6bn spending on poor areas for 'vote-buying', the Pound rallied on the progress and finished Friday trading at USD 1.3202. The yield on 10Y UKT traded flat, opening at 1.3095% and closing at 1.3056%.

## EU

In the EU Emmanuel Macron made the best effort at improving French-Italian relations following a "misunderstanding and excessive statements" between the two sides. Eurozone PPI data will be announced later this morning. The Euro inched slightly lower on Friday, starting the day at USD 1.1371, and finishing at 1.1365, yield on 10Y DBR traded flat at 0.1906%.

## LATAM

S&P has lowered its outlook on Mexican sovereign debt to "negative" from the previous "stable" outlook, only three months after President Obrador took office. S&P professional was quoted that "negative outlook reflects our opinion that the potentially larger contingent liabilities and lower forecast economic growth" regarding the Mexican downgrade. PVDSA bonds finished last week around pre-sanction Monday levels, with high volatility throughout the week. From Latam sovereigns, BRAZIL47 and ARGENT48 slipped 50 and 140 bps respectively. Argentinian corporates traded down with BUENOS and YPFAR down 80 and 100 bps on average.

## TURKEY

Turkish CPI inched lower following January, down to 19.67% year-on-year, with food prices remaining the main contributor. Turkish Lira depreciated from 5.3370 to 5.3733 per USD level on Friday. TURKEY47 traded down 130 bps, while Turkish corporates traded minorly in the red.

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