



## 15 NOVEMBER 2018

### MARKET SNAPSHOT

#### TURKEY

Despite the removal of 6 Turkish names from MSCI Standard Index, the stock market finished day in the green zone as well as Turkish lira – it gained 0.3% yesterday to 5.4604 per USD. The August unemployment rate was published today, the data showed 11.1%. Investors also expects to see October Central Govt Budget Balance data later today. TURKEY 47 remained flat yesterday in the mid 77 area while most of the corporate credits slightly weakened. HALKKBK 19s, 20s and ODEABK 27 underperformed, each bond lost around half a point.

#### RUSSIA

After gaining 1.3% yesterday the Russian ruble continued rising today, it already strengthened by 0.7% this morning as the new sanctions risk reduced and oil prices started to recover. Some analysts believe that ruble gain yesterday was driven a lot by non-resident bid for local OFZ bonds and closure of short ruble positions. RUSSIA 47 gained almost a point to 91 handle while most of the corporates remained unchanged. AKBHC 9 1/4 PERP underperformed, it lost half a point, while VIP 7.748 02/02/21 outperformed and gained two points.

#### MEXICO

The Mexican head of the lower house budget commission said that Mexican budget for the following year could incorporate tax changes for PEMEX as the state oil company complained on high tax burden. However, only the long end PEMEX bonds showed small gains, while the rest of the curve weakened by 20-40 bps on average. MEX 48 lost around 40 bps as well as most of the corporate credits.

#### UK

In the UK, the pound rallied yesterday evening by 0.7% as Theresa May won Cabinet support for her draft UK-EU withdrawal treaty. Now, the investors will put their attention on possible no confidence vote as some Eurosceptics in May's party voice their discontent as well as on EU leaders, who should decide whether to agree or not on full version of a political declaration on future EU-UK relations. The yield on 10Y UKTs added 2bps and reached 1.5051%.

#### US

In the US, the stock market traded in the red zone again with DOW -0.81%, S&P -0.76%, NASDAQ -0.90% despite the gains in oil prices (both WTI and Brent added 1%). An industry report was said to show U.S. stockpiles rose 8.8 million barrels last week, more than double the increase forecasted prior in a Bloomberg survey before the government data due Thursday while OPEC is considering a bigger-than-anticipated cut in production. The yield on 10Y USTs dropped by 2.2 bps to 3.123% while the dollar index continued rising, it strengthened by 0.4% yesterday as FED Chief Mr. Powell signalled they are prepared for December rate hike, he said that the economy can grow even faster. He also said that FED is looking "really carefully" at the global market's response on their rate hikes.

#### ASIA

In Asia, stocks trading mixed this morning despite the sixth straight drop of the US stocks. Topix lost 0.6%, CSI 300 is up by 1%. The Australian dollar rallied this morning, it gained 0.6% on the back of employment statistics - data showed the number of full-time hires in October had more than doubled vs September.

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