

24 DECEMBER 2018
MARKET SNAPSHOT

US

The US stock market closed in the red zone on Friday as investors were concerned that FED may be too hawkish and over-discounting the effect that turmoil could have on the real economy. S&P dropped by 0.67%, Dow slid by 0.63% - indexes showed their worst weekly performance in eight months. The yield on 10Y USTs remained unchanged at 2.792% level on Friday while the dollar index gained 0.5%. Some sources reported through the weekend that the US President Trump was looking for legal ways to fire the FED Chairman Mr. Powell while the Treasury Secretary Mnuchin tweeted today that Trump never suggested that. The US government shutdown could last until third of January as parties are still debating over Trump's demand for a wall.



UK

In the UK, the Sunday times reported that the UK PM's allies are willing to keep Theresa May for two years after Brexit. The pound slightly weakened on Friday to 1.2645 against the USD while the yield on 10Y UKTs gained 2 bps to 1.309%.



OIL

The oil prices dropped on Friday as apart from Saudi, other OPEC members have not even started cutting the output yet and are pledging for extension. However, the Brent is trading 0.7% higher today at USD 54.21 per barrel.



LATAM

On the Latam front, Mexican inflation print surprised investors as it unexpectedly accelerated in early December. The CPI climbed 5% from the year earlier (vs 4.87% in the end of November). MEX 48 slid by 40 bps on Friday as well as BRAZIL 47 while ARGENT 48 remained unchanged at lower 69 level.



RUSSIA

The Russian ruble is showing gains today after the seven days of weakening as oil rebounded and support from local tax payments kicked in. The currency is up by 0.7% today at 68.39 level. RUSSIA 47 slightly weakened to lower 94 area on Friday. Within the corporates, most of the credits gained 15-20 bps while ALFARU 6.95 PERP underperformed, it lost 90 bps.

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