

04 DECEMBER 2018
MARKET SNAPSHOT
 **TURKEY**

The Turkish central bank mentioned tax cuts, lira appreciation, oil price decline and weakening in economic activity as a factors for slowdown of inflation figures in November. The lira slightly weakened yesterday to 5.25 per USD level, TURKEY 47 gained a point to higher 76 level. Corporate credits mostly appreciated, GARAN 6.125 27, AKBNK 6.797 28, ISCTR 6.125 24 were leaders, each gained 70-90 bps.

 **SSA**

SSA Sovereign Space traded up c.1pt buoyed by the trade war truce between US and China. Most notable gainers were NGERIA 49s, GHANA 30s, ANGOLA 48s. The rally is likely to continue mostly in the oil names as market expects some significant action on OPEC tomorrow. IVYCST and REPCAM continues to trade steadily on an upward trajectory. Hitting the headlines this morning is KENYA's plan to organise a roadshow in Q1 2019 for a new Eurobond offering. Across the corporate space, buyers continue to queue up for DIAMBK 19s given the bank's assurance last Friday that they are good to redeem their bonds come 2019. Eskom story continues to develop with the CB advising that the firm should look to the bond markets to raise funds and that the government can only do so much in financing but are always ready to give guarantees. The outlook for the bonds still look bleak. ACCESS SUB is also well sought after as demand for bonds with call option that will be exercised gathers pace across Nigerian Banks.

 **RUSSIA**

Russian oil & gas company Gazprom said that Europe is going to boost Russian gas imports by 25% until 2020. The company see additional demand from European buyers and expect it to grow despite persisting criticism in the EU over the region's dependence on Russian gas. In order to match the growing demand, the company is building two new gas pipelines to Europe – Nord Stream 2 and TurkSteam. The ruble traded higher by 0.9% yesterday at 66.51 per USD level while RUSSIA 47 gained a point to mid 92 area. Within the corporates, ALFARU 6.95 PERP outperformed, the bond price rose by 2 points. VEBBNK 6.8 11/22/25 was also a leader, it strengthened by one and a half point. Most of the other credits added 20-40 bps on average.

 **LATAM**

On the Latam space, the Mexican peso appreciated by the most in 5 months yesterday after the government offered to buy back the bonds related to scrapped airport. Peso traded 1.8% higher at 20 per USD. MEX 48 gained 70 bps to lower 87 level, PEMEX curve appreciated all over the curve by 50-200 bps. Brazil and Argentina both will release industrial production data today. BRAZIL 47 closed 70 bps higher on Monday while ARGENT 48 gained a point to higher 72 level.

 **UK**

In the UK, Prime Minister Theresa May's chances of selling her deal in the upcoming parliament vote are decreasing by the day. As a result of May refusing to release the legal advice about her deal and short-lived talks with the British lawmakers, the opposition parties were granted an unscheduled debate on May's deal and practices. According to both British and European experts, the most likely course of action for Britain's Prime Minister is a loss in the initial vote, followed by renegotiations of the deal, and passing of the amended agreement. Earlier this morning the head advisor to the European Court of Justice revealed his findings on the possibility of reversing Brexit. His opinion on the matter is that the UK could unilaterally retract the Brexit notice it had given by triggering Article 50, and while the Advisor's findings are only advisory EU's highest court often follows his advice. The pound stayed unchanged at 1.27 vs USD level. The yield n 10Y UKTs dropped by 10 bps to 1.2799%.

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**US**

In the US, the stock market continued rising on Monday supported by the US-China trade truce and rising oil price. S&P gained 1.09%, Dow added 1.13% while Brent and WTI each traded 4% higher. The yield on 10Y USTs traded lower by 1.1% while the dollar index fell by 0.3%. Later on Monday, the top advisers of the US president struggled to explain the details of the US-China deal, agreed during the last weekend. Prior to the meeting in Washington, the FED chairman Mr. Powell commented that the FED has made progress toward a strong economy, but the benefits have not reached all Americans.

**ASIA**

Asian stocks showing correction this morning after yesterday's rally. Hang Seng losing 0.3%, Topix is falling by 1% while CSI 300 is trading almost flat.

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