



03 JANUARY 2019

MARKET SNAPSHOT



US

The US stock market managed to close higher on Wednesday after heavy losses in early trading. S&P 500 increased in value by 0.13%, Dow gained 0.08%. The dollar index increased by 0.7% while the yield on 10Y USTs fell 6 bps to 2.62%. After the market closed, the stock futures fell as Apple lowered its revenue outlook, stating its disappointing upgrades and the economic weakness in China as reasons. President Trump and congress leaders failed to reach an agreement and end the government shutdown; talks may resume tomorrow.



OIL

Oil market showed significant gains yesterday, WTI closed 2.5% higher, Brent added 2.1% but lost almost all the Wednesday gains this morning.



ASIA

Asian technology stocks were hit this morning after comments by Apple, however the indexes are trading in the green zone. Hang Seng opened 1.3% higher, ASX 200 gained 1%, and CSI 300 traded up 0.1%.



UK

UK's foreign secretary, Jeremy Hunt spoke out regarding the possible 'devastating' social impacts of a second referendum. In his statement Mr. Hunt discussed how the best option as of right now is to support the Prime Minister's deal. Prime Minister May is expected to further negotiate the conditions of the Irish border 'backstop' in Brussels. The Pound dropped 20 pips closing Wednesday at a 1.2586 USD rate, while the yield on 10Y UKTs dropped from 1.2436% to 1.1775%.



EU

Aside from Spain, all of EU manufacturing PMI data either met or surpassed the expectation. The spread on the 10Y BTPS and 10Y DBR yields increased by 13 bps, as the yield on 10Y DBR experienced its biggest drop in the last 25 months, from 0.2282% to 0.1637%. Discussions regarding Brexit and the 5G network auction should be today's main EU events.



TURKEY

Turkey consumer prices data released today showed a 0.4% month-to-month fall in December while the consensus expectation was a 0.75% decrease. The annual rate fell to 20.3%, supported by a slowdown in price rises in clothing, footwear and transportation. The falling inflation may increase the pressure on the central bank to cut interest rates to boost the economy.



RUSSIA

Russian stock market resumed trading after New Year holidays, as of this morning ruble gained 0.5% vs USD at 69.43.



LATAM

On the Latam front, the Mexican central bank monetary policy minutes and Colombia's export data will be released today. Argentina's central bank commented on inflation yesterday, stating that "the trend in slower inflation is ongoing". The central bank promised to maintain caution in its foreign exchange rate intervention strategy if the rate falls outside the price band.

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