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MARKET SNAPSHOT



US

The US stocks dropped yesterday after the Apple warning Wednesday evening and weak data on manufacturing activity (54.1 vs 59.3 previously). S&P lost almost 2.5%, Dow slid 2.83% while Apple shares were down by nearly 10%. The yield on 10Y USTs lost 10 bps to 2.56% as investors lowered expectations for further rate hikes by the FED while some analysts even predict a rate cut next year. The Dollar index was down 0.6%. Besides Apple, approximately 46% of US companies lowered their revenue forecasts. Today the investors' attention will be focused on Nonfarm payrolls report and crude oil inventories data in US.



OIL

Oil appreciated despite concerns over a global economic slowdown. Brent gained 1.9%, WTI added 1.2% as investors weighed on Saudi Arabia's export cuts targeting of US stockpiles.



ASIA

In Asian markets, Japan manufacturing PMI and Caixin Services PMI came better-than-expected this morning. Asian stocks trading mixed – CSI gained 2.4%, Hang Seng is up 2.1% while Topix is down by 1.5%. However, Asian credit market remained weak after an overnight rally in US Treasuries.



UK

The uncertainty in the British economy due to Brexit isn't fading any time soon. British house prices suffered their biggest monthly fall since July 2012, having decreased by 0.7% from November. As well as this a survey released today has found that more than half of Theresa May's Conservative Party are opposed to her Brexit deal, with the Northern Irish DUP completely opposed to her deal. However, the British pound opened the markets this morning at a 1.2660 USD rate and 1.1095 EUR rate.



EU

Irish Prime Minister Varadkar and German Chancellor Merkel held a private phone conversation yesterday to discuss the Brexit deal. They both have agreed to offer reassurances and guarantees to the UK, however they would not accept any changes to the current deal. The 5G Auction took place yesterday and O2 seemed to be the winner on the day, but still only has the third most spectrum space overall with EE and Vodafone placing first and second, in spectrum space, respectively. The European markets mostly opened on a good note this morning with DAX +0.98%, Cac 40 +.73% and AEX +0.75%.



RUSSIA

Russian Ruble gains for second day against the USD, today it already added 0.4% to 68.4 level supported by rising oil prices. RUSSIA 47 gained significantly within last several trading sessions, the price went to upper 95 level (+180 bps yesterday). Most of the corporate credits also strengthened, GPBRU 6 1/2 07/17/20 outperformed, the bond added 1.5 points while the rest of the market gained 10-30 bps on average.



TURKEY

Turkish lira dropped by almost 4% within the last two trading sessions as investors are bracing for interest rate cuts after the improved inflation report. The next central bank meeting will be held on January 18th. TURKEY 47 weakened by a point yesterday to upper 79 area while most of the corporates traded flat. YKBNK 5.5 22 and YKBNK 8.5 26 performed better than market, credits gained 150 bps and 70 bps respectively.

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