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MARKET SNAPSHOT



US

The optimistic progress in trade talks and strong earnings reports from the US banks helped the US stock market to finish week in the green zone – S&P added 1.32% last Friday and took the weekly gain to 2.9%. The yield on 10Y USTs gained 4 bps to 2.7878% while the dollar index advanced by 0.3%. The government shutdown continues while the US President Trump offered to extend protections for young undocumented people in the DACA program in return for funds for the wall. The Senate will vote on proposal tomorrow while the Democrats insist that funding of the wall is unacceptable. The US markets will be closed today due to Martin Luther King Day.



UK

British PM Theresa May is expected to speak in Parliament about an alternative Brexit proposal today. Further, she seeks changes to the Irish border part of her deal with the EU, Bloomberg reported. The current deadline for the deal is March 29 otherwise Britain will leave the EU without a formal withdrawal agreement. The pound weakened on Friday to 1.2872 against the USD while the yield on 10Y UKTs closed almost flat at 1.3501%.



ASIA

The consumption statistics and factory output data came better-than-expected today, it supported the Asian markets despite the weak Chinese Q4 GDP data. Both Hang Seng and Nikkei are trading higher by 0.3% this morning while CSI 300 and Topix gained 0.6%.



RUSSIA

The rating agency S&P maintain BBB- rating for Russia with the stable forecast. The ruble strengthened for a third week vs USD, supported by strong oil market, lack of new sanctions and optimism regarding the potential US-China deal. The Russian currency advanced by 0.6% on Friday to 66.4575 per USD. RUSSIA 47 advanced to low 98 area while most of the corporates gained - ALFARU 6.95 PERP outperformed, the credit gained two points, VTB 9 1/2 PERP, OPRORU 8 1/4 09/27/21 each gained a point.



LATAM

Brazil will report its weekly trade balance today. Argentina posted its better-than-expected primary fiscal deficit of 2.4% in 2018 (vs 2.7% expected). BRAZIL 47 and ARGENT 48 both gained a point while MEX 48 slightly weakened to low 91 level. Within the corporates, long end YPF advanced by 80-100 bps, PETBRA gained 30-80 bps across the curve, PEMEX curve traded significantly higher on Friday +40-250 bps across maturities.

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