



## 25 JANUARY 2019

### MARKET SNAPSHOT

#### UK

The DUP (Democratic Unionist Party, Northern Ireland) have privately decided to back Theresa May's Brexit deal next week as long as it's specifically time limited, the Sun reported. Ireland's Central Bank said a disorderly Brexit could cut GDP by 4%. The pound jumped to the highest levels in two months – 1.3084 against the USD while the yield on 10y UKTs dropped by 5bps to 1.2632%.

#### US

The US stocks traded mixed on Thursday. While S&P finished 0.14% higher supported by semiconductors rally, Dow slid 0.1% as the uncertainty on the US-China trade talks outlook is still in place – the commerce secretary Mr. Ross said the US is “miles and miles” from resolving trade issues with Beijing, however, he mentioned that the deal could be reached, the FT reported. The yield on 10Y USTs went down by 2.9bps to 2.71% levels, the dollar index rose by 0.4%.

#### EU

The German government downgraded its expectations for national GDP growth in 2019 to just 1% from 1.8% anticipated prior, as the slowing of the global economy and Brexit uncertainty could cause problems for export-oriented Germany, according to MarketWatch.

#### RUSSIA

The ruble continued its winning streak, yesterday it gained another 0.5% to 65.76 per USD. The initial catalyst for its appreciation was pre-tax hard-currency offer from exporters, the VTB Capital analysts reported. Foreign purchases of OFZs also provided support to the Russian currency. The sovereign bonds rallied as well, RUSSIA 47 appreciated by 70 bps to higher 98 area. However, the corporate credits traded mixed and have not changed significantly. ALFARU 6.95 PERP, GAZPRU 8 5/8 34, VEBBNK 5.942 23 added 25-30 bps.

#### LATAM

In the Latam area, Mexico's Senate has several concerns about the newly negotiated free trade agreement for North America, there are some "very delicate areas", Senator Monreal said in an interview, although the new agreement is not ratified yet. In Venezuela, some senior military figures came out in support of President Maduro yesterday. The defense minister Mr. Lopez said Maduro is the country's rightful leader. US has ordered all non-emergency government personnel out of Venezuela and urged citizens to stay away. BRAZIL 47 and MEX 48 advanced by 50bps, ARGENT 48 added around 60 bps. PDVSA bonds lost a point along the curve while all the Argentina's corporates gained yesterday. Brazilian corporates traded mixed while Mexican bonds mostly appreciated – PEMEX added 10-70 bps along the curve.

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