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MARKET SNAPSHOT



US

Unexpectedly disappointing outlooks for Q4 revenues by Caterpillar and Nvidia drove US stock indexes into the red zone on Monday – Dow slid by 0.84%, S&P dropped by 0.78%. US President Trump's warnings of a potential other government shutdown did not help the sentiment as well. Investors also became cautious ahead of the first FED meeting this year which will be held today with a decision due Wednesday. Despite the fact that investors expect rates to be remained unchanged, Jay Powell's conference might bring more certainty regarding the direction of further monetary policy. US 10y Treasury yield lost 1.4 bps tot 2.744%.



ASIA

Asian stocks trading lower this morning after the US filed criminal charges against Huawei and its executive Meng Wanzhou last evening, alleging it stole trade secrets from an American rival and committed bank fraud by violating sanctions against doing business with Iran. CSI lost 1.1%, Hang Seng slid 0.53%.



RUSSIA

The global risk-off sentiment sent Russian ruble in the red zone on Monday, the currency fell 0.3% to 66.24 despite the positive news on Rusal sanctions cancellation. RUALRU 22 and 23 outperformed – each gained five points during the day. RUSSIA 47 lost a point to mid 97 area while most of the corporates weakened as well - GPBRU 0 PERP, GAZPRU 37, VTB 9 1/2 PERP lost 30-40 bps.



LATAM

Last evening, the US issued sanctions on the central bank of Venezuela and the state-oil company PDVSA that will block existing president Maduro's regime from exporting crude oil to the US. While Maduro described the sanctions as "robbery", the opposition leader Mr Guaido said he's taking control of government bank accounts abroad and will appoint new personnel to PDVSA, Bloomberg reported. PDVSA bonds advanced by 2 points on average after the announcement. Brazilian Vale lost around 25% of its value after experts valued the damage during the mining incident to USD 7 bn. Company's bonds (VALEBZ) lost 3-6 points across the curve during the week - their lowest level since 2016 after rating agency Fitch cut Vale's rating by 2 notches to BBB- yesterday.

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