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MARKET SNAPSHOT


US

US stocks traded mixed with DOW and S&P up 0.26% and 0.09% respectively, while NASDAQ lost 0.25%. The yield on 10Y UST added 6bps up to 2.68%. Donald Trump stated that in order to keep check of Iran, he intends to keep the military presence in Iraq, even if the intelligence officials advise him otherwise. Trump also believes that deals with China and North Korea are in the foreseeable future, also mentioning the possibility of denuclearization. The US President might meet with Xi Jinping in Vietnam on February 27-28, per SCMP report.


UK

Prime Minister Theresa May has agreed with the opposition leader, Jeremy Corbyn, that Britain should insist on concessions from the EU regarding the current Brexit deal. While Mrs. May did not gain the labour's support in the House of Commons last week, both sides have agreed the Irish backstop "needs to be addressed with Brussels", as reported by the Telegraph. The construction PMI figures were announced today at 50.6 compared to the expected 52.6. The Pound depreciated to 1.3079 USD level, while the yield on 10Y UKTs increased from 1.2202% to 1.2463%.


ASIA

In the EU Jacob Rees-Mogg stated that extending article 50 beyond March 29th will not be possible if a new Brexit deal has been agreed on. Based on internal government documents, the German economy is likely to face a EUR 25 billion budget deficit by 2023. This budget shortfall would be caused by an expected fall in tax revenues and increasing wages in the public sector. The Euro rate fluctuated around USD 1.145 level, finishing the week at 1.1456. The rate on 10Y DBR increased from 0.1542% to 0.1656%.


EU

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TURKEY

Turkish CPI data for January was released at 1.06% compared to 1.03% expectations with core CPI at 19.02%. The Turkish Lira depreciated from 5.1646 per USD to 5.2087, TURKEY47 lost 0.13% to lower 77 level.


LATAM

In Brazil markets are awaiting news on President Bolsonaro's proposal for pension overhauls, which is expected in the second half of February. The Mexican central bank is likely to maintain its current interest rates in the upcoming week. Mexican inflation figures will be announced on Thursday, with low inflation likely indicating constant interest rates. BRAZIL47 and ARGENT48 traded up 0.64% and 0.43% respectively, while MEX48 slightly weakened to lower 87 level.

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