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MARKET SNAPSHOT

US

US stocks traded higher for the 5th day in a row DOW and S&P added 0.68% and 0.47% respectively, NASDAQ gained 0.74% The yield on 10Y UST dropped 3bps to 2.69%, while the dollar index was up 0.2%. During his State of the Union address, President Trump did not declare the US-Mexican border situation as a national emergency. Trump further reinforced the promise of the border wall. The US President will engage in talks with Kim Jong-Un in Vietnam February 27-28.

UK

The British cabinet ministers have discussed plans to request an eight-week extension of the article 50 if Prime Minister May's Brexit proposal is passed. Mrs. May continues her visit to Northern Ireland, while Leo Varadkar will be in Brussels for talks regarding the Irish border issue. The Pound fell below USD 1.3 level, finishing the day at 1.2945. The yield on 10Y UKT fell by over 4 bps, down from 1.2746% to 1.2301%.

EU

According to a senior official on Brexit the preparations for a potential no-deal exit are under way. While the most likely course of action is a three-month extension, Brussels are already preparing to soften what seems like the worst-case scenario. The ECB announced there is no need to offer new long-term loans to banks, which will be further discussed in the next policy meeting in March. German factory orders statistics were announced this morning at almost 2% lower than expected. The yield of 10Y DBR touched 0.1465% on Tuesday but finished the day at 0.1147%, the Euro traded at USD 1.1406.

RUSSIA

Today Russian MinFin will offer RUB 20bn of the new RFLB 26 7.95 and RUB 15bn of RFLB 34 (YTM 8.31%). RUSSIA47 gained 60bps, advanced to lower 98 level, while the Ruble traded lower, at 65.52 per USD. Russian corporates traded mixed with GPBRU outperforming at 35 bps gain.

MIDDLE EAST

According to Maaal, the KSA could borrow as much as SAR 118bn (\$31.46bn) this year to help finance a budget deficit of SAR 131bn, citing the head of Saudi Arabia's Debt Management Office, Fahad al-Saif. The Lira appreciated and traded at 5.1998 per USD level, TURKEY47 gained over 130bps, finishing the day in mid-85 level. Turkish corporates traded in green with long-ended ones outperforming.

LATAM

Venezuela is preparing to shut down over 25% of its oil production since US sanctions preventing the state-owned PDVSA from importing the diluent necessary to extract extra heavy crude oil, according to Platts. MEX48 and BRAZIL47 gained 35bps each, while ARGENT48 advanced by 100 bps finishing the day at mid-79 level. Argentinian corporates traded higher across the curve.

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