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MARKET SNAPSHOT

US

American technological stocks saved the S&P and Nasdaq indexes from having a third day in the red on Friday. S&P and Nasdaq gained 0.07% and 0.14% respectively, while Dow Jones traded 0.25% lower. The US-China trade talks have resumed, but President Trump spoke out against meeting Xi Jinping before March 1. Trump's administration is likely to face another government shutdown over border security funding. The yield on 10Y UST slipped by 2 bps on Friday to a 2.634% level.

UK

Theresa May wrote a conciliatory letter to opposition leader Jeremy Corbyn following his proposed final deadline for a new Brexit deal by February 26. As things stand, there will be a vote in the House of Commons on February 27 if the deal has not been renegotiated by then. Governor of Bank of England, Mark Carney, made a warning in a public statement regarding how the looming Brexit will likely result in the biggest economic growth slowdown in the last decade, heavily affecting investment and wage growth. The MPC lowered their growth expectations for 2019 and 2020 by 0.5% and 0.2%. UK GDP and manufacturing production figures were announced this morning, both of which have underperformed compared to the expectation. The Pound has slightly depreciated from USD 1.2952 to 1.2944, the yield on 10Y UKT traded 2bps lower, closing Friday at 1.1499%.

ASIA

The Chinese market reopened today after the Lunar New Year break with Hang Seng gaining 0.16% and CSI 300 up 1.21%. The US-China trade talks resumed with US representatives Robert Lightizer and Steven Mnuchin expected to meet Chinese vice premier Liu He later this week. Chinese GDP growth estimates are becoming increasingly more pessimistic according to a Chinese state-run paper, expecting the growth to fall as low as 6%.

EU

The European Commission has lowered its GDP growth forecast for 2019 by 0.6% to 1.3% following the lack of progress with the current Brexit deal. The biggest expected decrease was in Italian growth projections, which were slashed from 1.2% to 0.2%, German economic growth prediction decreased from 1.8% to 1.1%. The Euro traded slightly lower at USD 1.1323, while the yield on 10Y DBR dropped by 1 bps to 0.0906% on Friday.

TURKEY

Turkish sovereign ratings will be reviewed on Friday by the S&P, it is expected there will be no change. The coming week will contain multiple earning reports of Turkish companies, while investors await Balance of Payment report later this week. The Lira closed at 5.2495 per USD level on Friday, TURKEY47 slipped slightly, finishing the week at 93 level. Turkish corporates traded mixed TCZIRA and TCELLT trading lower across the curve.

RUSSIA

The Ruble appreciated by 0.8% against the Dollar, trading at 65.44 per USD. RUSSIA29 traded 1bps higher at 4.70%, while Russian corporates traded mixed with Alfaru outperforming, gaining 20 bps at the long end of the curve.

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