



## 13 FEBRUARY 2019

### MARKET SNAPSHOT

#### US

The US stock market reacted positively to President Trump's statement on US-China trade agreements. DOW gained 1.49%, with S&P and Nasdaq close at 1.29% and 1.46% in the green respectively. The state of affairs for border security funding leaves Trump in a position where he is likely to accept less funding and then use his executive authority to funnel additional funds to security measures. The yield on 10Y UST pushed higher, almost reaching 2.70%.

#### UK

With the latest 2018 GDP data showing a UK growth of 1.4%, which is the lowest since 2012, the worries regarding a no-deal Brexit are increasing. Jeremy Corbyn has stated Theresa May's request to the members of House of Commons to "hold their nerve" is just a strategy to run down the Brexit deadline clock. Mrs. May will return to Brussels today to negotiate and in the likely event of no changes to the current deal a Parliament vote regarding 'plan b' options will ensue tomorrow. The Pound slightly gained, appreciating from 1.2855 to 1.2892 USD level, while the yield on 10Y UKT slipped by 1 bps, closing Tuesday at 1.1836%.

#### ASIA

Asian stocks have been trading in the green this morning following optimism regarding Trump's position on extending the trade truce past the March 1 deadline. Hang Seng and CSI300 gained 0.78% and 1.03%, while NIKKEI is up 1.52%.

#### OIL

Oil prices gained an additional 1% this morning following the comments of Saudi Arabia's Energy Minister on the planned production cuts. The Saudi national oil and gas company, Saudi Aramco, has expressed its wish to start pursuing international resource explorations for the first time. The US oil production is expected to increase to as high as 13m barrels a day in 2020 in anticipation of further funding and oil supply cuts.

#### EU

The EU has finished drawing up additional rules for the Russian-funded Nord Stream 2 gas pipeline. The rules would force Russia to adhere to EU's non-discriminatory rules in fear of Russia significantly limiting gas shipments through Ukraine. The European sentiment regarding the Brexit-filled economic expectations worsens as amongst others, the Dutch Central Bank's Klaas Knot has publicly changed his mind on the ECB pausing its debt-buying stimulus program. The Euro has rebounded from Monday's trading session back to 1.1326 USD per Euro, the yield on 10Y DBR slipped 1bps to 1.1836%.

#### RUSSIA

The Ruble slightly depreciated on Tuesday evening to 65.86 per USD value. Following the recent strong auction results in RFLB 24 6.50 and RFLB 29 The Russian Ministry of Finance will hold auctions without an upper limit. RUSSIA29 and RUSSIA47 traded flat yesterday, while corporates traded mixed.

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