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MARKET SNAPSHOT

US

The US stock market extended gains on Friday on the back of the trade talks optimism – DOW advanced by 1.74%, S&P added 1.09%. It was a third week of gains in a row. In other news, President Trump signed the spending bill last Friday but at the same time declared a national emergency to seek additional funds for a US-Mexico border wall. Another government shutdown was prevented – it added to the investor optimism. The yield on 10Y USTs added 0.4 bps to 2.6626% while the dollar index fell by 0.1%. The US markets are closed today due to Presidents

OIL

Oil price reached its three months high this morning on the trade talk optimism as well as Saudi's and Russian supply cuts announcements las week. WTI gained 1% this morning to USD 56.13, Brent is up by 0.6% to USD 66.65, the highest level this year.

ASIA

Asian markets rallied today following the US, Hang Seng +1.65%, CSI +2.45%. The US President Trump said last week's China trade talks were "very productive" and reiterated the possibility of extending the 1st March deadline for increasing tariffs on Chinese goods. The negotiations will continue today in Washington. Despite the strong equities' performance, Asia IG spreads were mostly unchanged on limited activity.

EU

The Governing Council member Mr. de Galhau believes that the ECB could change its rate guidance if it would be clear that EU economic slowdown is not temporary. Investors will wait for Mario Draghi comments on Friday. The yield on 10Y DBR advanced by just 0.2 bps on Friday to 0.108%, the EUR currency remained at 1.1296 level against the USD.

RUSSIA

Russian ruble advanced by 0.5% on Friday to 66.33 level per USD in line with EM peers and additionally supported by strong oil. Government Eurobonds advanced, RUSSIA 47 added 70 bps to mid-97 area while the corporates traded mixed – VEBBNK 23 and 25s both gained a point while GPBRU 6 20 shed 140 bps.

LATAM

In Latam region, Brazilian President Bolsonaro gave a green light to a proposal to overhaul pension system which will include minimum retirement age and substantial savings to public coffers. Brazilian assets rallied, with VALE bonds also getting some bid support despite all the negative headlines. PETBRA advanced by 15-100 bps in price across the curve, BRAZIL 47 reached upper 98 handle. Mexico's PEMEX will refrain from issuing new bonds this year and begin prepaying existing liabilities as part of a broad turnaround plan, the AMLO reported. However, PEMEX credits fell on investors doubts that the steps will be enough. Long end PEMEX bonds lost more than a point, MEX 48 remained unchanged at 92 area.

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