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MARKET SNAPSHOT

US

Donald Trump indicated that the new US-China trade deal 'might not happen at all' following the previous strongly positive outlook on trade talks and tariff-truce extension. The Chairman of US FED, Jerome Powell, will start giving a two-day testimony today on how monetary policy makers interpret the current economic and financial climate. US stocks gained, Dow Jones and S&P gained 0.23% and 0.12% respectively, NASDAQ outperformed at +0.36%. The yield on 10Y UST slipped 2bps to 2.64% on Monday.

ASIA

Asian stocks are trading mostly in the red this morning, Nikkei lost 0.42% and Hang Seng is down 0.56%, CSI300 is up 0.04%.

OIL

Oil took a 3% hit yesterday following Donald Trump's tweet stating the world is too fragile to handle high oil & OPEC should "relax and take it easy". Oil losses came only days after Saudi Arabia's crown prince has reportedly signed USD28bn worth of deals during his Asian tour.

EU

European diplomats have started debating Brexit delay prior to Theresa May's announcement. Donald Tusk of the European Council the delay seems like the only rational possibility that results in a 'fair deal that makes everyone happy'. Senior diplomats discussed the length of the delay, coming up with a range of 2-21 months per reports. Euro traded slightly higher, trading at USD 1.1358 in the evening. The yield on 10Y DBR touched as high as 0.1192% on Monday before closing at 0.0978%.

UK

Theresa May has announced she will give the Members of Parliament a definitive chance to vote for a Brexit extension on Tuesday March 12. After months of giving UK the rhetoric that March 29 will be the final date of Brexit happening, Mrs. May at last caved to expectations to seriously consider postponing article 50. The Pound hit a 4-week high following this announcement, peaking at USD1.3153 before finishing Monday at 1.3097. The yield on 10Y UKT traded almost flat, opening at 1.1712% and closing at 1.1733%.

LATAM

The Mexican economy deceleration trend has reportedly intensified during 1Q2019 as a result of labour strikes and disruptions in fuel supply. Mexican central bank is expected to cut the key rates by a total of 75bps throughout the year according to Goldman Sachs' Alberto Ramos. Brazil has received USD5.7bn in foreign direct investment in the first three weeks of February this year, the Central Bank announced. BRAZIL47 traded almost flat at mid-98 level, while MEX48 traded down 20bps at lower 92 level. Brazilian corporates traded mostly in the green with PETBRA and VALEBZ gaining 30 and 40 bps on average across the respective curves.

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