

11 MARCH 2019
MARKET SNAPSHOT**US**

US macroeconomic data turned out worse than expected, as non-farm payrolls grew only by 20 000 compared to the 180 000 forecasts. US stocks traded in the red in what was the biggest weekly drop since December. Dow Jones wrote off 0.09%, S&P and Nasdaq were down 0.21% and 0.18% respectively. Jerome Powell said the 'US central bank does "not feel any hurry" to change the level of interest rates again as it watches how a slowing global economy affects local conditions in the United States, rates are currently appropriate'. The yield on 10Y UST gained 2bps to 2.64%.

**UK**

Prime Minister Theresa May is preparing for tomorrow's vote on her Brexit deal in the House of Commons. Negotiations regarding the deal will re-open in a last-ditch effort to give the Prime Minister the best chance of succeeding. Should Mrs. May fail, the most likely case is an extension of article 50, which would put the Prime Minister under pressure to announce plans to resign. The Pound depreciated ahead of the Brexit vote, trading around USD 1.2992, the yield on 10Y UKT gained slightly, trading at 1.189%.

**ASIA**

Asian stocks are trading in the green this morning, Nikkei and Hang Seng gained 0.36% and 0.64% respectively, CSI300 is up 1.53%. Several sources have reported the US-China trade agreement is getting closer to its final form. "The two sides discussed issues surrounding the yuan including the need to abide by previous commitments made by Group of 20 nations not to engage in competitive depreciation and to communicate closely on currency issues" said the Governor of People's Bank of China.

**EU**

Weakness in Eurozone data resulted in the ECB downgrading its growth forecast for the year from 1.7% to 1.1%, following which Mario Draghi went on record to talk about resurrecting the stimulus programme. The Euro appreciated slightly to USD 1.1238 rate, yield on 10Y DBR slipped to 0.064%.

**RUSSIA**

Following the Russian public holiday on Friday, the Ruble depreciated slightly to 66.34 per USD. RUSSIA47 lost almost 20bps in price, trading at mid 98. Russian corporates traded in the green for the most part.

**TURKEY**

Turkeys' January Current account balance and GDP growth data from the fourth fiscal quarter were announced today. GDP shrank 2.4% last quarter on a seasonally adjusted level after a decline of 1.1% in the previous quarter, down 3% YoY vs the forecasted -2.7%. However, the current account balance came slightly better than expected, -0.81 vs -0.83% expectations. The Lira fell as much as 0.4% to 5.4590 per dollar level, however TURKEY47 traded up 5bps in price, Turkish corporates were mostly in the green.

**LATAM**

In Latam news, Argentina's Central Bank hiked its benchmark interest rate by the most in 6 months up 600bps to 57.89% on Friday in order to support the currency, after the peso fell to record lows. The move was welcomed by Argentinian govt bond investors as ARGENT 48 traded up 1.5pts to mid 73 levels. Other Latam sovereigns finished the day marginally unchanged with MEX 47 and BRAZIL 47 trading at 89.4 and 97.4 levels respectively. Relatively new ECUA 29 also reversed the weakness to trade 0.70pts up to mid 107 levels, now up more than 7 points from reoffer in January.

Disclaimer : This overview provided by MeritKapital Limited (the "Overview") only summarizes recent market movements and contextualizes upcoming political, economic and central banks events. Any views expressed in the Overview are limited in scope. Under Article 12(3)(a) of the MiFID II Delegated Directive, such publications are considered a minor non-monetary benefit which can be freely distributed without charge.

This Overview constitutes neither investment, legal, tax advice nor other advice and it does not take into account the specific investment objectives, risk appetite and financial situation of anyone who may receive this report, and the latter shall not rely on it in making an investment or other decision.

MeritKapital Limited does not accept any liability whatsoever for any direct or consequential loss arising from the use of this document. This Overview is for information purposes only and is not, and should not be construed as, an offer to buy or sell any securities. The information contained in this Overview is published for the assistance of the recipient, but is not to be relied upon as authoritative or taken in substitution for the exercise of judgment by any recipient.