


11 MARCH 2019
MARKET SNAPSHOT
**US**

American stocks traded in the green despite Boeing stock slipping almost 15% since the 737 max incident. Dow Jones traded up 0.54%, Nasdaq and S&P gained 0.76% and 0.5% respectively. The US Fed is expected to reign in predictions for interest rate rises in 2019 during a meeting on Tuesday. The yield on 10Y UST slipped almost 4 bps to 2.59%.

**ASIA**

Asian markets are up this morning with Hang Seng and Topix up 1.36% and 0.68% respectively, CSI300 outperformed and is up 2.85%. China gained traction in its plan to crackdown on shadow banking activities. The figure fell from Rmb 65.6tn to Rmb 61.3tn over 2018.

**UK**

EU leaders will meet in Brussels for a two-day long meeting starting March 21 in order to discuss the current Brexit situation, which will be followed by a third vote on Mrs. May's revised Brexit deal on March 22. With the Parliament voting out a no-deal Brexit and calling for an extension, it seems the political climate has cooled down for the moment, the yield on 10Y UKT traded flat on Friday at 1.21%, the Pound slightly gained from USD 1.3242 to USD 1.3290 rate.

**EU**

In Europe the news were headlined by Deutsche Bank and Commerzbank officially in talks of a merger. If the two German high street banks were to combine, the expected job cuts are in the tens of thousands and the government might remain a shareholder. Additional obstacles for the deal would be convincing the ECB and other banking regulators, which further implies the deal is in an early stage. The Euro slightly strengthened to USD 1.1326, while the yield on 10Y DBR traded flat at 0.08%.

**RUSSIA**

The Ruble appreciated by 1% to 64.80 per USD level, outshining its EM counterparts during a good week for the Emerging Market currencies. Central Bank of Russia will make its key rate decision this Friday, experts anticipate maintaining the current figure of 7.75% along with an upbeat sentiment and lower inflation data. The bullet curve mostly closed flat to 1bp tighter with RFLB 24 6.5 (YTM 8.10%) outperforming at 3bps down in yield. Russian corporates traded in the green mostly, Gazpru outperformed and gained 0.1pt on average across the curve.

**TURKEY**

The Turkish central bank kept rates on hold following a 625bps raise in repo rate to 24% in September. The central bank also stated it will "maintain the tight monetary policy stance until inflation outlook displays a significant improvement." – the inflation figures peaked at 25.2% in October and have since adjusted to 19.7% in February. The inflation rate still remains the main concern for the bank and "if needed, further monetary tightening will be delivered.". The Turkish Lira slipped from 5.4466 to 5.4689 per USD, Turkish corporates traded in the green mostly.

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