



25 MARCH 2019

MARKET SNAPSHOT

US

The Robert Mueller probe into Donald Trump's connection with Russia regarding the 2016 election showed insufficient evidence. The yield on 10Y UST was 10bps lower, trading at 2.43%, the yield spread between 3M and 10Y treasuries turned negative for the first time since 2007. US stocks traded in the red during the biggest sell-off since January as Dow Jones and S&P lost 1.77% and 1.90% respectively, Nasdaq slipped 2.50%.

ASIA

Asian stocks followed the US trend, Hang Seng and CSI300 are down 1.78% and 1.70% respectively, Nikkei lost 3.25%.

UK

The Brexit deadline has been extended until April 12 in case of the Parliament voting against Mrs. May's deal for a third time, if the MPs support her deal the extension will last until May 22. The current political climate indicates the vote is unlikely to change if there aren't significant concessions on the side of the EU. The Pound slightly gained from 1.3107 to USD 1.3209 rate, yield on 10Y UKT was down 7 bps trading at 1.0121%.

EU

European flash composite PMI for March dipped to 51.3 from 51.9 in February and was below market expectations. Composite PMI for France fell to 48.7, German PMI was at 44.7 even as services managed to hold up reasonably well. In the Commerzbank-Deutsche merger talks potential restructuring to Deutsche Bank's investing bank arm seems to be the main concern for now. The Euro traded 70 pips down on Friday at USD 1.1302, yield on 10Y DBR traded in the negative, at -0.0165%.

RUSSIA

The Ruble traded 1.2% down on Friday at 64.65 per USD following the Russian Central Bank leaving key rates constant at 7.75%. RUSSIA47 traded flat, Russian corporates traded in the green with Gazpru outperforming, gaining as much as 0.5pt n the long-end of the curve.

TURKEY

The Turkish Lira slipped 4% in the biggest one-day move since a crisis the currency experienced in August. On Friday morning it traded at 5.4654 per USD, while by the end of the trading session the rate was 5.7593 per USD. "The market is essentially concerned that, as witnessed last year in August, diplomatic tension could escalate quite substantially" an analyst from Rabobank commented on the political concerns regarding the Lira. TURKEY47 lost over 2.5 pt, Turkish corporates wrote off 0.5 to 1.5 pt on average.

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