



## 05 MARCH 2019

### MARKET SNAPSHOT

#### US

The US stock market traded in the red on Monday following unexpectedly low construction spending. S&P and Nasdaq lost 0.39% and 0.23% respectively, Dow Jones slipped 0.79%. The yield on 10Y UST dropped 1bps to 2.71%. The US-China trade talks had no reported updates, but negotiations are believed to be progressing well. In the interim, Trump's administration mentioned India and Turkey might no longer qualify for "beneficiary developing countries" treatment from the US. The US president has previously criticised India over 'outrageous' tariffs on US-made Harley-Davidson motorcycles.

#### ASIA

Asian stock market followed the trend of US equities this morning, Hang Seng and CSI300 are down 0.07% and 0.02% this morning, Nikkei wrote off 0.59%. China has set a lower GDP target due to the trade war with the US, China's premier Li Keqiang changed the estimate for 2019 to a 6-6.5% range from the original hard target of 6.5%

#### UK

Over 50 members of the British Parliament have backed the amendment which would force companies in Jersey, Guernsey, and Isle of Man to make public the details of their ownership. Theresa May's called for a delay ahead of a vote on the Brexit issue, which sparked outrage from MPs as well as House of Commons speaker Bercow. The Pound slipped slightly, from 1.3202 on Monday morning to USD 1.3180 by the end of the day. 10Y UKT yield slipped 3bps to 1.2721%.

#### EU

Emmanuel Macron has stated his goals as part of his election plea. A European Agency to combat cyber attacks and manipulation of elections, additional border resources for the Schengen states, and a European conference to discuss all Brexit issues were all a part of the French president's vision. Service PMI data in France, Italy, Spain, and Germany surpassed market expectations, the Euro finished trading on Monday at USD 1.1340 rate, the yield on 10Y DBR slipped 2bps from 0.1823% to 0.1619%.

#### RUSSIA

Brent oil finished the day almost 1% in the green yesterday. Russia's second-largest crude producer Lukoil has reported a profit jump of 47% to RUB 619bn.

#### LATAM

S&P has lowered its outlook on Mexican sovereign debt to "negative" from the previous "stable" outlook, only three months after President Obrador took office. S&P professional was quoted that "negative outlook reflects our opinion that the potentially larger contingent liabilities and lower forecast economic growth" regarding the Mexican downgrade. PVDSA bonds finished last week around pre-sanction Monday levels, with high volatility throughout the week. From Latam sovereigns, BRAZIL47 and ARGENT48 slipped 50 and 140 bps respectively. Argentinian corporates traded down with BUENOS and YPFDAR down 80 and 100 bps on average.

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