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 MARKET SNAPSHOT

US

US stocks traded in the green on Friday, Dow Jones added 0.82%, S&P and Nasdaq gained 0.67% and 0.78% respectively. The yield on 10Y UST gained 3bps, trading at 2.43%. President Trump attacked the Fed again, stating 'they made a mistake raising interest rates and blamed the central bank for hurting the US economy and stock market'. On the data side all eyes this week will be on NFP numbers coming in on Friday.

ASIA

Amongst other news Chinese manufacturing PMI data came out better than expected – 50.8 compared to the 50.0 prediction. Nikkei gained 1.44%, Hang Seng and CSI300 are up 1.65% and 2.31%. US-China trade talks seem to be progressing forward as China's Vice Premier Liu He will be visiting Washington later this week.

UK

The British manufacturing PMI severely beat the expectation of 51.2 with an actual value of 55.1. Theresa May has spoken on the possibility of presenting her deal to the Members of Parliament for the fourth time, after the MPs could not agree on any of the Brexit alternatives. Yield on 10Y UKT traded slightly up just short of 1%, the Pound traded 20 pips lower at USD 1.3022.

EU

Yield on 10Y DBR increased slightly from -0.071 to -0.068, the Euro traded up from 1.1222 to USD 1.1244. Maturities across the Italy sovereign yield curve were little changed in Friday afternoon trading. The 1-year yield rose to 0.034%, the 10-year yield to 2.495%, the 30-year yield to 3.478%. The BTP-Bund spread closed around 255 bps and the 5-Year CDS at 207 bps.

TURKEY.

For the emerging markets the week will mostly be headlined by Turkish elections as president Erdogan faces off against the opposition. While Erdogan's ruling coalition won over 50 per cent of the national vote, they lost in the capital, Ankara, and the vote in Istanbul is still uncertain. The Lira fell 2.5% to 5.6939 per USD. Tukey's central bank reserves decreased by a third last month, in terms of dollars. Moody's called the erosion of foreign currency reserves "credit negative" in a report published on Monday. Turkish Sovereign Eurobonds and credit, although started the day weaker has since edged up on the lack of trading as investors digest the poll results and some buying from London supporting the corps and fins. Turkey 47 was seen bid at 80 while KCHOL 25 is bid at mid 97s, up more than 2 points up from the last week lows.

RUSSIA

The Ruble lost 1.2% amid sanction talks on Friday, trading at 65.76 per USD. The re-emerged sanction talk pushed OFZ yields higher in the evening, so that long bullets ended the day 9-10bp wider.

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