



## 15 APRIL 2019

### MARKET SNAPSHOT

#### US

Steven Mnuchin gave a hint to the advancement of the US/China trade talks by suggesting that the US is open to repercussions if they breach any deal and further denoted that the same is expected of China.

Reports suggest that Donald Trump has a narrow advantage heading into the 2020 election, owing to the stellar outlook for the US economy. Donald Trump again slammed the Fed, tweeting that if policy makers had performed well; the stock market would be up significantly, and GDP would be reflective sitting well over 4%.

10yr UST gained 5.97%. while the U.S. stock-index showed some growth with the S&P gaining 0.66%, DOW 1.03% and NASDAQ adding 0.44%

#### ASIA

The big news from China is the word on a rebound of exports in addition to positive signals per the US/China trade-talk stalemate that has hovered on the horizon. Both parties seem to be closing in on an agreement and this news drove investors' appetite for Chinese risk.

Malaysia has successfully renegotiated a deal with China on the construction of the East Coast Rail Link Route reducing the overall project cost and avoiding a maligned US\$5bn termination fee to China.

China's CSI gained 0.7% led by finance and industry indexes, the Hang Seng index also appreciated similarly by 0.6%; while Japan's TOPIX hit its highest point of the year to scale up 1.5%.

#### UK

According to British MP, David Lidington the talks between the CP and LP to end the Brexit stalemate would require a bit of compromise from both parties. The EU officially extended the Brexit decision till October 31, However Theresa May has expedited efforts to reach an agreement with Labour in what is seen as a move to get everything in place prop to her departure.

The yield on 10 YR UKT jumped from 1.1451 to 1.2097%, the GBP showed a similar trend against the greenback benchmark; moving from 1.3058 to 1.3074.

#### EU

Trade tensions between the EU and the US appear to be escalating as both parties take their arguments directly to the WTO. This development is in response to Donald Trump's plan to impose new trade tariffs and the EU's plot to counter that decision with a tariff hike of their own.

A continued drop in investors inflation expectations coupled with a dim economic outlook have led to a call on a review of the ECB President Draghi's decision to halt Quantitative Easing (QE) in December 2018. There are calls from all quarters for the ECB to apply more monetary action to combat the inflation rate which has now fallen to 1.36%; it's lowest point since 2016.

There was a slight appreciation of the EUR from 1.1253-1.1299.

#### RUSSIA

In Russia, Rusal has announced it's first wave of investment in the US since the sanctions were lifted earlier in the year; buying out a stake in Braidy Industries worth US\$200m in exchange for 40% shareholding. This investment will create 650 permanent jobs by next year.

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