

## MARKET HIGHLIGHTS

- Global equity markets are mixed today as investors continue to monitor government and central bank actions to contain the spread of the Coronavirus and shore up support for the economy. Haven assets have flipped between gains and losses this week as negative Coronavirus headlines circulate, weighing on risk sentiment. In the turbulent commodity market, OPEC members agreed to a production cut of 1.5m barrels/day, but the effectiveness of the agreement will be contingent on the support of Russia and other non-OPEC allies, who will meet tomorrow to discuss the reduction. This is in response to the glut of oil in the market as demand remains weak and prices continue to fall. Commodity-based currencies have shown a muted reaction to the proposed supply cuts, and crude prices are lower on the day.
- The BoC cut interest rates yesterday by 50bps to 1.25%, surprising markets that expected a 25bps cut. Immediately following the decision, the loonie declined more than 0.6% against the dollar and remains under pressure this morning. Additionally, the accompanying statement was more dovish than anticipated, with the OIS Curve now showing an 80% chance of another 25bps reduction at the April 15<sup>th</sup> meeting. The statement noted that they expect a “material negative shock” from the spread of the Coronavirus to the economy and their outlook is “clearly weaker.” 10-yr Canadian sovereign bonds fell in the minutes after the release, hitting a new all-time low of 0.860%. The decision follows the Fed’s surprise rate cut on Tuesday as G-7 members work on a coordinated response to the Coronavirus.

INDEX	LAST	CHANGE	% CHANGE
<b>ASIA/PACIFIC</b>			
Nikkei 225	21,329.12	229.06	1.09%
Hang Seng	26,767.87	545.80	2.08%
S&P ASX 200	6,395.74	70.34	1.11%
Kospi	2,085.26	25.93	1.26%
Shanghai Comp	3,071.68	60.01	1.99%
<b>EUROPE</b>			
Euro Stoxx	3,359.32	-61.24	-1.79%
CAC 40	5,361.89	-103.00	-1.88%
DAX	11,926.14	-201.55	-1.66%
IBEX 35	8,710.20	-199.80	-2.24%
<b>AMERICAS</b>			
Dow Jones	27,090.86	1173.45	4.53%
S&P 500	3,130.12	126.75	4.22%
NASDAQ	9,018.09	334.00	3.85%
Mex. Bolsa IPC	43,404.76	932.51	2.20%
Bovespa	107,224.20	1687.10	1.60%
*As of 7:45 a.m. EST — source: Bloomberg			

COMMODITIES	LAST	CHANGE	% CHANGE
<b>PRECIOUS METALS</b>			
Platinum	\$866.70	-8.50	-0.97%
Gold	\$1,652.06	15.13	0.92%
Silver	\$17.34	0.12	0.70%
<b>ENERGY</b>			
Crude Oil	\$46.91	0.13	0.28%
Heating Oil	\$152.18	-1.14	-0.74%
Gasoline	\$155.15	-0.40	-0.26%
Natural Gas	\$1.84	0.01	0.49%
<b>INDUSTRIALS</b>			
Copper	\$259.30	1.35	0.52%
Aluminum	\$1,722.00	--	--
Nickel	\$944.40	3.10	0.33%
<b>AGRICULTURE</b>			
Corn	\$381.50	-3.50	-0.91%
Sugar	\$13.44	-0.03	-0.22%
Wheat	\$518.25	0.00	0.00%
Cotton	\$63.45	0.47	0.75%

\*As of 7:45 a.m. EST — source: Bloomberg

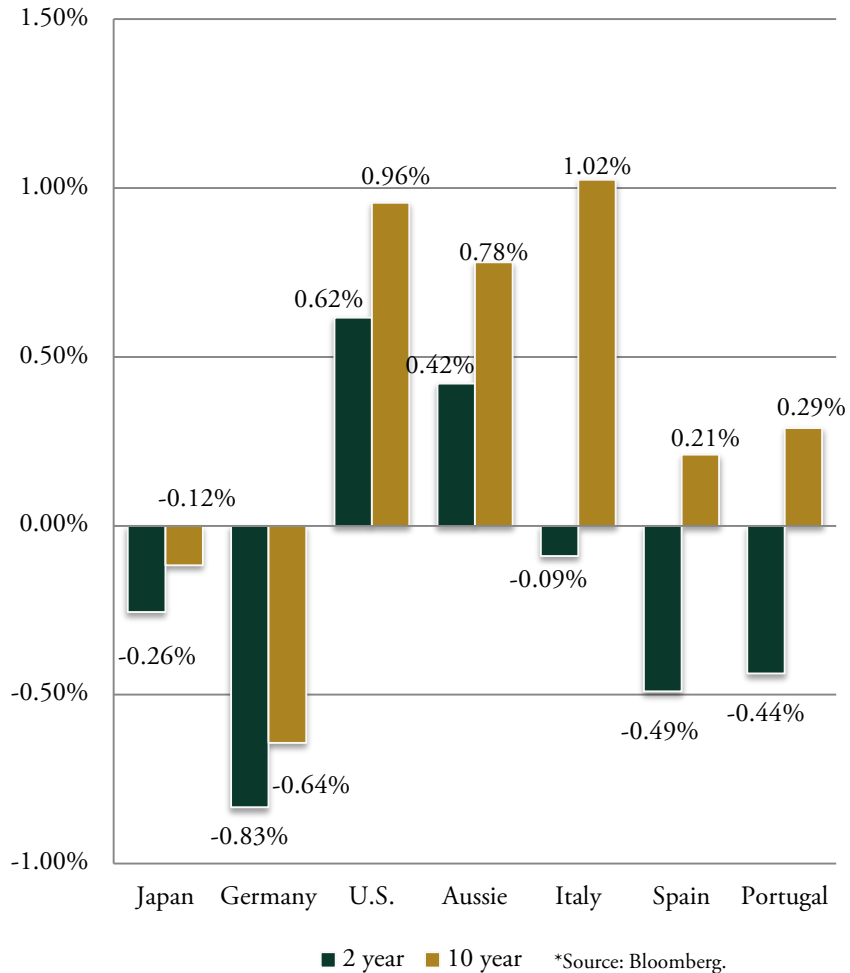
EUR/USD looks set to test the 1.12 handle again amid broad USD weakness. The pair continues to trade above the all important 200D-SMA at 1.11 signaling a significant change in momentum.



Cable pushed through 1.2850 late yesterday which had served a resistance this week. Odds continue to increase of a BoE rate cut during their March meeting. 1.2704 (200D-SMA) provides significant support for the Pound.



## 2's & 10's SOVEREIGN YIELDS



SOVEREIGN DEBT	2-YEAR	10-YEAR	2's/10's
<b>ASIA/PACIFIC</b>			
Japanese Government Bonds	-0.26%	-0.12%	13.9
Australian Government Bonds	0.42%	0.78%	35.8
New Zealand Government Bonds	0.55%	1.07%	52.0
South Korea Government Bonds	1.04%	1.33%	28.5
Singapore Government Bonds	1.05%	1.33%	28.0
<b>EUROPE</b>			
Germany Government Bonds	-0.83%	-0.64%	19.0
France Government Bonds	-0.76%	-0.32%	43.9
Italy Government Bonds	-0.09%	1.02%	111.4
Spain Government Bonds	-0.49%	0.21%	70.1
Portugal Government Bonds	-0.44%	0.29%	72.7
<b>AMERICA</b>			
US Government Bonds	0.62%	0.96%	34.0
Canada Government Bonds	0.86%	0.92%	6.0
Mexico Government Bonds	6.19%	6.31%	132.7
Brazil Government Bonds	3.98%	6.59%	261.8
Chile Government Bonds	1.87%	3.20%	132.7
*As of 7:45 a.m. EST — source: Bloomberg			

DATE/TIME MARKET EVENT	FORECAST	ACTUAL	PRIOR
03:30 GE-Markit Germany Construction PMI Feb	--	55.8	54.9
04:00 UK-New Car Registrations YoY Feb	--	-2.90%	-7.30%
06:18 RU-Light Vehicle Car Sales YoY Feb	2.20%	-2.20%	1.80%
07:30 US-Challenger Job Cuts YoY Feb	--	-26.30%	27.80%
08:00 RU-Gold and Forex Reserve	--	570.0b	563.1b
08:30 US-Nonfarm Productivity 4Q F	1.30%	--	1.40%
08:30 US-Unit Labor Costs 4Q F	1.40%	--	1.40%
08:30 US-Initial Jobless Claims	215k	--	219k
08:30 US-Continuing Claims	1738k	--	1724k
09:45 US-Bloomberg Consumer Comfort	--	--	63.5
10:00 US-Factory Orders Jan	-0.10%	--	1.80%
10:00 US-Factory Orders Ex Trans Jan	--	--	0.60%
10:00 US-Durable Goods Orders Jan F	-0.20%	--	-0.20%
10:00 US-Durables Ex Transportation Jan F	--	--	0.90%
10:00 US-Cap Goods Orders Nondef Ex Air Jan F	--	--	1.10%
10:00 US-Cap Goods Ship Nondef Ex Air Jan F	--	--	1.10%
18:30 JN-Household Spending YoY Jan	-4.00%	--	-4.80%
18:30 JN-Labor Cash Earnings YoY Jan	0.20%	--	0.00%
18:30 JN-Real Cash Earnings YoY Jan	-0.60%	--	-0.90%
18:50 JN-Official Reserve Assets Feb	--	--	\$1342.3b
00:00 RU-Wellbeing Fund Feb	--	--	\$124.4b

\*As of 7:45 a.m. EST — source: Bloomberg

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