

The background of the cover features a complex financial market chart. It includes a candlestick chart with green and red bars, overlaid with a red line graph and a blue line graph. The chart is set against a dark blue grid. Several numerical values are scattered across the chart, including 1.7810, 1.7900, 1.7855, 1.7765, 11.12, 14.56, 19.00, 108.47, and 105.14. Some of these values are circled in light blue.

FX & Markets Weekly

Week 13/2019

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Lira in rollercoaster mode

The lira experienced a pretty volatile week. Already, past Thursday a press release showed that residents' FX deposits had climbed to a record high of USD 175bn, and another release showed that Turkey's gross FX reserves had declined by 6bn in March to 73,8bn. Friday the lira flash crashed and USD/TRY touched 5,84 but closed at 5,75. EUR/TRY touched 6,61 but closed at 6,51. On Friday the central bank suspended TRY 1-week repo auctions at 24% until further notice, and started funding via O/N lending rate at 25,5%, and/or via late liquidity lending rate at 27%. Last year in August, the central bank limited local banks swap limits with 25% of equity. Additionally, there is a period of 2 weeks for local banks to report their reserve requirements to get an interest on that. Both measures coincided this week, and resulted in pretty thin offshore liquidity of liras. As a result, TRY forward implied O/N rate rose drastically through the week. From 23% on Friday March 22 to 1300% on its peak Wednesday night. This made it almost impossible for foreign institutional investors to get liras in the offshore money markets to close their short lira positions and /or carry traders that had funded liras via offshore money markets to buy Turkey assets. As a result, they sold their Turkish assets like stocks and sovereign bonds. BIST100 lost 6,8% week over week. Turkey 2Y bonds are yielding now 21,15% up from 18,16%. The situation eased after the central bank increased local banks' swap limits with itself. EUR/TRY had a very wide trading range between 6,51 and 5,99 this week. USD/TRY also very volatile between 5,78 and 5,30.

Austrian bonds outperform on budget surplus

Austria realized its first budget surplus since 1974 as high tax revenues outpaced government expenses. In December, Finance Ministry predicted a slight deficit, but ended up with a surplus of EUR 426m or 0,1% of GDP. Austrian sovereign bonds attracted investors as yields tightened across the board. 2Y sovereign bonds are currently yielding -0,575%, down from -0,552%; 5Y are currently yielding -0,460% down from -0,417%, and 10Y securities are yielding now 0,236%, down from 0,265%.



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Economic Research and Development

Exchange Rates	Price as of 03/29/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
EUR/USD	1,1233	-0,62	-1,32	-1,92
EUR/TRY	6,3508	-2,55	4,36	4,75
EUR/CHF	1,1177	-0,45	-1,55	-0,69
EUR/GBP	0,85919	0,40	0,15	-4,36
EUR/JPY	124,45	0,19	-1,77	-0,92
EUR/RUB	72,9633	-0,01	-2,66	-8,18
EUR/CNY	7,5348	-0,58	-0,93	-4,22
USD/TRY	5,6428	-2,05	5,72	6,62
USD/JPY	110,8	0,82	-0,46	1,06
USD/RUB	64,9644	0,44	-1,38	-6,40
USD/CNY	6,7076	-0,16	0,20	-2,49

Sovereign Bonds 10Y	Price as of 03/29/2019	Change % 5 days	Change % 1 Month	Ask YTM
Austria	105,86	0,21	1,82	-0,03
Belgium	106,81	0,21	1,47	0,05
China	96,88	0,27	0,43	3,11
EFSF	111,15	0,00	0,01	-0,40
ESM	110,98	0,08	0,53	-0,24
France	101,76	0,21	2,05	0,02
Germany	102,15	0,26	1,52	-0,29
Greece	102,20	0,01	1,93	3,49
Japan	102,30	0,13	0,38	-0,21
Portugal	115,08	0,01	1,15	0,74
Spain	104,55	-0,13	1,19	0,68
Russia	101,10	-0,00	0,69	8,09
Switzerland	113,47	-0,28	0,82	-0,62
Turkey	76,00	-8,98	-15,67	18,00
UK	104,63	-0,05	1,78	0,84
US	97,55	0,13	2,14	2,36

Turkey related	Price as of 03/29/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
TRY Basket	5,9973	-2,16	4,97	5,62
WAC of CBRT	25,01	4,21	4,21	4,21
Gold TRY / gram	235,58	-3,24	4,30	8,54
TR Gov. B. 2Y yield	22,27	19,86	18,52	12,87

Euribor/Eonia	Price as of 03/29/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
Eonia (T-1)	-0,366	1,35	-0,27	-3,10
Euribor 1 Month	-0,367	0,00	0,27	-0,82
Euribor 3 Month	-0,311	-0,65	-0,65	-0,32
Euribor 6 Month	-0,228	0,00	0,44	3,39
Euribor 12 Month	-0,112	-3,70	-3,70	5,88

EUR Libor	Price as of 03/29/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
EUR Libor O/N	-0,468	0,30	0,52	-1,36
EUR Libor 1M	-0,421	-1,34	-2,15	-3,26
EUR Libor 3M	-0,348	-3,66	-2,05	2,87
EUR Libor 6M	-0,306	-2,84	-3,13	0,88
EUR Libor 12M	-0,194	-6,69	-19,17	-5,70

Commodities Energy Futures	Price as of 03/29/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
WTI crude	60,40	2,47	5,02	30,75
BRENT crude	68,63	2,48	3,59	27,77
GAS oil	611,50	2,25	-0,81	23,13
Heating oil	199,40	1,43	-1,64	21,66
Natural gas	2,68	-3,04	-4,96	-3,45
Gold Spot	1 298,55	-1,22	-1,34	1,25
Silver Spot	15,18	-1,66	-2,87	-2,06
Platinum Spot	853,53	0,83	-2,12	7,43
Palladium Spot	1 390,63	-10,39	-10,01	10,09
Copper	293,85	3,43	-0,27	9,44

Stock Indices	Price as of 03/29/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
ATX	3 038	-0,13	-0,14	10,59
BIST 100	93 896	-6,02	-10,24	3,74
CAC 40	5 342	1,39	1,96	14,20
DAX	11 534	1,47	0,14	9,21
Dow Jones	25 809	1,32	-0,30	12,03
Euro Stoxx 50	3 348	1,30	1,53	12,13
FTSE 100	7 276	0,92	2,81	8,02
HANG SENG	29 051	-0,21	1,46	13,91
IBEX 35	9 257	0,61	-0,23	8,97
MOEX	2 504	0,11	0,40	5,32
NASDAQ 100	7 364	0,61	3,85	17,27
NIKKEI 225	21 206	-1,95	-0,84	5,95
S&P 500 (T-1)	2 815	0,53	1,11	13,26

Interest Rate Futures	Price as of 03/29/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
Bobl	133,05	0,17	0,76	0,89
Bund	166,11	0,24	2,07	3,19

Risk Sentiment	Price as of 03/29/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
Baltic Dry Index	692	0,00	4,71	-45,79
VIX	13,94	-15,41	-5,68	-50,81
Turkey 5Y CDS (T-1)	448,368	11,73	46,78	24,01
MSCI EM Index (T-1)	1 045,21	-1,36	-0,55	8,58

USD Libor	Price as of 03/29/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
USD Libor O/N	2,382	-0,29	-0,03	-0,43
USD Libor 1M	2,495	-0,18	0,17	-1,01
USD Libor 3M	2,600	-0,39	-0,59	-7,05
USD Libor 6M	2,660	-0,62	-0,98	-7,44
USD Libor 12M	2,711	-2,74	-5,38	-10,04

TRY Libor	Price as of 03/29/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
TRY Libor O/N	26,250	8,70	8,70	8,24
TRY Libor 1M	26,250	8,70	8,70	6,52
TRY Libor 3M	26,250	9,83	9,59	6,47
TRY Libor 6M	25,568	7,29	7,16	3,71
TRY Libor 12M	25,548	8,16	8,11	4,03

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Economic Research and Development

Date	Country	Economic Release	Period	Consensus	Actual	Prior
03/25/2019 13:30	US	Chicago Fed Nat Activity Index	Feb	-0.38	-0.29	-0.43
03/25/2019 15:30	US	Dallas Fed Manf. Activity	Mar	8.9	8.3	13.1
03/26/2019 13:30	US	Housing Starts	Feb	1210k	1162k	1230k
03/26/2019 13:30	US	Housing Starts MoM	Feb	-1.6%	-8.7%	18.6%
03/26/2019 13:30	US	Building Permits	Feb	1305k	1296k	1345k
03/26/2019 13:30	US	Building Permits MoM	Feb	-0.9%	-1.6%	1.4%
03/26/2019 14:00	US	FHFA House Price Index MoM	Jan	0.4%	0.6%	0.3%
03/26/2019 15:00	US	Richmond Fed Manufact. Index	Mar	10	10	16
03/26/2019 15:00	US	Conf. Board Consumer Confidence	Mar	132.5	124.1	131.4
03/26/2019 15:00	US	Conf. Board Present Situation	Mar	--	160.6	173.5
03/26/2019 15:00	US	Conf. Board Expectations	Mar	--	99.8	103.4
03/27/2019 12:00	US	MBA Mortgage Applications	Mar 22	--	8.9%	1.6%
03/27/2019 13:30	US	Trade Balance	Jan	-\$57.0b	-\$51.1b	-\$59.8b
03/27/2019 15:00	US	Current Account Balance	4Q	-\$130.0b	-\$134.4b	-\$124.8b
03/28/2019 13:30	US	GDP Annualized QoQ	4Q T	2.3%	2.2%	2.6%
03/28/2019 13:30	US	Personal Consumption	4Q T	2.6%	2.5%	2.8%
03/28/2019 13:30	US	GDP Price Index	4Q T	1.8%	1.7%	1.8%
03/28/2019 13:30	US	Core PCE QoQ	4Q T	1.7%	1.8%	1.7%
03/28/2019 13:30	US	Initial Jobless Claims	Mar 23	220k	211k	221k
03/28/2019 13:30	US	Continuing Claims	Mar 16	1778k	1756k	1750k
03/28/2019 14:45	US	Bloomberg Consumer Comfort	Mar 24	--	60.0	61.5
03/28/2019 15:00	US	Pending Home Sales MoM	Feb	-0.5%	-1.0%	4.6%
03/28/2019 15:00	US	Pending Home Sales NSA YoY	Feb	-3.0%	-5.0%	-3.2%
03/28/2019 16:00	US	Kansas City Fed Manf. Activity	Mar	0	10	1
03/28/2019 10:00	EA	M3 Money Supply YoY	Feb	3.9%	4.3%	3.8%
03/28/2019 11:00	EA	Economic Confidence	Mar	105.9	105.5	106.1
03/28/2019 11:00	EA	Business Climate Indicator	Mar	0.68	0.53	0.69
03/28/2019 11:00	EA	Industrial Confidence	Mar	-0.6	-1.7	-0.4
03/28/2019 11:00	EA	Services Confidence	Mar	12.0	11.3	12.1
03/28/2019 11:00	EA	Consumer Confidence	Mar F	-7.2	-7.2	-7.2
03/25/2019 08:00	TR	Real Sector Confidence SA	Mar	--	99.3	96.9
03/25/2019 08:00	TR	Real Sector Confidence NSA	Mar	--	102.1	97.2
03/25/2019 08:00	TR	Capacity Utilization	Mar	--	74.3%	74.0%
03/28/2019 08:00	TR	Economic Confidence	Mar	--	81.9	79.4
03/28/2019 12:30	TR	Foreigners Net Bond Invest	Mar 22	--	\$102m	-\$122m
03/28/2019 12:30	TR	Foreigners Net Stock Invest	Mar 22	--	\$145m	-\$107m
03/29/2019 08:00	TR	Trade Balance	Feb	-2.20b	-2.13b	-2.50b
03/29/2019 09:00	TR	Foreign Tourist Arrivals YoY	Feb	--	9.4%	5.3%
03/27/2019 14:00	RU	CPI Weekly YTD	Mar 25	--	1.8%	1.7%
03/27/2019 14:00	RU	CPI WoW	Mar 25	--	0.1%	0.1%
03/28/2019 14:00	RU	Gold and Forex Reserve	Mar 22	--	487.1b	482.5b
03/29/2019 09:00	RU	Money Supply Narrow Def	Mar 22	--	10.23t	10.32t
03/29/2019 14:00	RU	Current Account Balance	4Q F	--	38400m	38800m

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Purpose of document: This report summarises the significant developments within the financial markets over the previous week and comments on their underlying background.