

The background of the cover features a complex financial market chart with multiple data series. It includes candlestick patterns, line graphs, and various numerical values such as 1.7765, 1.7855, 1.7900, 11.12, 14.56, and 19.00. The chart is rendered in shades of blue and green, with a red line graph at the bottom right.

FX & Markets Weekly

Week 2/2019

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EUR/USD rises above 1,15

On Wednesday, the rate climbed above 1,15 for the first time since October. The signals from recent comments by Fed officials was reinforced by minutes of their December 18-19 meeting, when they raised the Federal Funds Target Range. Accordingly, U.S. central bankers could hold interest rates through March or longer. The minutes highlighted the range of downside risks policy makers are facing, such as the possibility of a steeper downturn in global growth, an escalation of the trade war, or a larger-than-expected impact from their current tightening so far. Also the ECB released its meeting minutes, and confirmed that sentiment among policy makers was becoming more dovish as recent data releases had been weaker than anticipated. It was pointed out that December was the third consecutive downward revision to GDP forecasts. Moreover, the U.S. government remained partially shut down for a third week. From a chart-technical perspective, EUR/USD moved above the cloud to affirm bullish bias as 1,1478 support holds. The 6 month 61,8% Fibonacci retracement (1,1586) is now back into focus with the 200-day simple moving average at 1,1628.



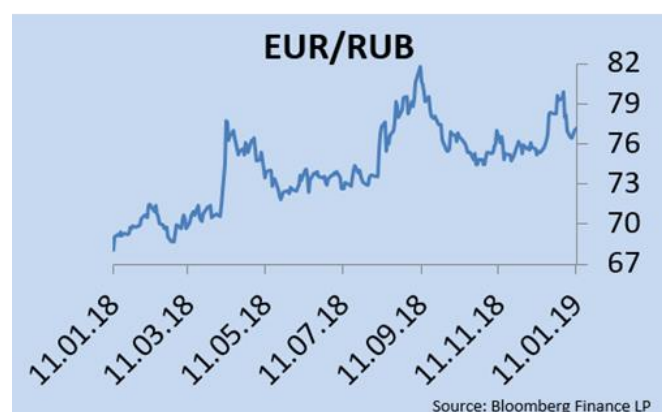
Global stock markets surge across the board

Led by U.S. tech stocks on NASDAQ (+7,7% w/w), S&P500 (+6,1%), and Dow Jones (5,8%) global stock markets surged into 2019. In Asia, Japan's NIKKEI led gains (+4,1% w/w), and was followed by Hong Kong HANG SENG (+3,9%), and Korean KOSPI (+3,2%). In Europe, local ATX outperformed other major stock market indices (+2,2% w/w), and was followed by England's FTSE (+1,5%).



Global commodity markets rise

WTI Futures for February delivery rose by 9,9% w/w, as Brent Futures rose by 8,2%, and Gasoil Futures even gained 8,3%. Once again Palladium led gain in metals and rose by 1,8%. Risk-on, is clearly the mood in first weeks of the year. G4 Central banks are sounding more dovish in 2018, and the prospect of looser monetary policy is supporting asset prices.



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Economic Research and Development

Exchange Rates	Price as of 01/11/2019	Change % 5 days	Change % 1 Month	Change % 3 Months	Commodities Energy Futures	Price as of 01/11/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
EUR/USD	1,1529	1,18	1,86	-0,39	WTI crude	52,19	9,07	0,91	-25,91
EUR/TRY	6,3282	4,17	4,34	-8,80	BRENT crude	61,15	7,40	1,54	-22,84
EUR/CHF	1,1322	0,71	0,72	-1,36	GAS oil	571,00	8,08	2,14	-19,84
EUR/GBP	0,89913	0,39	-0,61	2,50	Heating oil	189,70	7,39	3,31	-18,51
EUR/JPY	124,72	0,89	-2,74	-4,04	Natural gas	3,05	0,16	-28,39	-6,96
EUR/RUB	77,3065	0,42	2,83	1,00	Gold Spot	1 292,87	0,50	3,87	5,96
EUR/CNY	7,7917	-0,48	-0,37	-2,18	Silver Spot	15,70	-0,12	7,58	7,56
USD/TRY	5,4854	2,94	2,44	-8,35	Platinum Spot	822,89	-0,12	4,62	-2,33
USD/JPY	108,17	-0,30	-4,53	-3,67	Palladium Spot	1 329,34	2,03	6,20	22,84
USD/RUB	67,0616	-0,71	0,95	1,38	Copper	265,10	0,25	-4,08	-5,99
USD/CNY	6,761	-1,68	-2,12	-1,98	Stock Indices	Price as of 01/11/2019	Change% 5 days	Change % 1 Month	Change % 3 Months
Sovereign Bonds 10Y	Price as of 01/11/2019	Change % 5 days	Change % 1 Month	Ask YTM	ATX	2 908	1,66	1,05	-9,30
Austria	103,72	0,14	0,35	0,26	BIST 100	91 448	2,79	-0,54	-3,63
Belgium	104,38	0,37	0,35	0,40	CAC 40	4 770	0,69	-0,76	-6,59
China	96,54	-0,00	0,79	3,08	DAX	10 857	0,77	0,65	-5,97
EFSF	111,52	-0,15	-0,28	-0,26	Dow Jones (T-1)	24 002	5,80	-1,51	-4,19
ESM	110,34	-0,17	-0,02	-0,02	Euro Stoxx 50	3 063	0,65	0,20	-4,60
France	99,06	0,32	0,47	0,37	FTSE 100	6 922	1,19	1,65	-1,25
Germany	100,39	0,12	0,37	-0,05	HANG SENG	26 667	4,06	3,48	5,54
Greece	96,93	0,63	0,28	4,34	IBEX 35	8 864	1,43	1,46	-1,61
Japan	101,74	-0,28	0,35	-0,13	MOEX	2 437	2,56	1,85	3,04
Portugal	111,11	0,86	0,45	1,31	NASDAQ 100 (T-1)	6 621	7,71	-1,24	-4,93
Spain	101,51	0,30	0,11	1,09	NIKKEI 225	20 360	4,08	-3,73	-9,88
Russia	99,76	1,58	1,81	8,35	S&P 500 (T-1)	2 597	6,08	-1,52	-4,83
Switzerland	112,37	-0,24	0,43	-0,42	Interest Rate Futures	Price as of 01/11/2019	Change% 5 days	Change % 1 Month	Change % 3 Months
Turkey	82,70	-0,85	3,15	15,92	Bobl	132,79	0,06	0,33	1,54
UK	103,00	-0,17	-0,83	1,08	Bund	164,41	0,26	0,56	3,37
US	95,50	-0,20	1,50	2,64	Risk Sentiment	Price as of 01/11/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
Turkey related	Price as of 01/11/2019	Change % 5 days	Change % 1 Month	Change % 3 Months	Baltic Dry Index	1189	-5,63	-12,83	-21,52
TRY Basket	5,9068	3,74	3,46	-8,61	VIX	19,88	-6,36	-8,00	-19,86
WAC of CBRT (T-1)	24,00	0,00	0,00	0,00	Turkey 5Y CDS (T-1)	369,766	1,07	-5,91	-10,70
Gold TRY / gram	228,01	3,45	6,40	-2,90	MSCI EM Index (T-1)	998,67	3,49	3,51	4,61
TR Gov. B. 2Y yield	18,94	-3,91	-11,37	-29,85	USD Libor	Price as of 01/11/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
Euribor/Eonia	Price as of 01/11/2019	Change % 5 days	Change % 1 Month	Change % 3 Months	USD Libor O/N	2,389	-0,19	9,50	10,00
Eonia (T-1)	-0,366	0,00	-2,24	0,27	USD Libor 1M	2,509	-0,46	3,15	10,07
Euribor 1 Month	-0,365	-0,55	0,82	1,08	USD Libor 3M	2,787	-0,59	0,30	14,41
Euribor 3 Month	-0,308	0,32	1,28	3,15	USD Libor 6M	2,865	0,31	-0,56	8,70
Euribor 6 Month	-0,236	0,42	3,28	11,61	USD Libor 12M	3,019	1,81	-2,29	2,18
Euribor 12 Month	-0,117	1,68	10,69	25,00	TRY Libor	Price as of 01/11/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
EUR Libor	Price as of 01/11/2019	Change % 5 days	Change % 1 Month	Change % 3 Months	TRY Libor O/N	24,188	-0,67	-0,62	-3,91
EUR Libor O/N	-0,465	-0,15	-1,62	-2,23	TRY Libor 1M	24,572	-0,05	-0,03	-10,86
EUR Libor 1M	-0,418	0,24	-1,88	-2,66	TRY Libor 3M	24,628	-0,11	0,24	-14,71
EUR Libor 3M	-0,329	4,64	8,04	5,78	TRY Libor 6M	24,656	0,04	0,45	-15,67
EUR Libor 6M	-0,297	0,57	8,74	6,69	TRY Libor 12M	24,686	-0,07	0,57	-18,49
EUR Libor 12M	-0,172	2,82	18,98	18,32					

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Date	Country	Economic Release	Period	Consensus	Actual	Prior
01/07/2019 16:00	US	ISM Non-Manufacturing Index	Dec	58.5	57.6	60.7
01/08/2019 12:00	US	NFIB Small Business Optimism	Dec	103.0	104.4	104.8
01/08/2019 16:00	US	JOLTS Job Openings	Nov	7050	6888	7079
01/08/2019 21:00	US	Consumer Credit	Nov	\$17.500b	\$22.149b	\$25.384b
01/09/2019 13:00	US	MBA Mortgage Applications	Jan 4	--	23.5%	-8.5%
01/10/2019 14:30	US	Initial Jobless Claims	Jan 5	226k	216k	231k
01/10/2019 14:30	US	Continuing Claims	Dec 29	1740k	1722k	1740k
01/10/2019 15:45	US	Bloomberg Consumer Comfort	Jan 6	--	58.5	59.6
01/11/2019 14:30	US	CPI MoM	Dec	-0.1%	-0.1%	0.0%
01/11/2019 14:30	US	CPI Ex Food and Energy MoM	Dec	0.2%	0.2%	0.2%
01/11/2019 14:30	US	CPI YoY	Dec	1.9%	1.9%	2.2%
01/11/2019 14:30	US	CPI Ex Food and Energy YoY	Dec	2.2%	2.2%	2.2%
01/11/2019 14:30	US	CPI Core Index SA	Dec	259.987	260.027	259.481
01/11/2019 14:30	US	CPI Index NSA	Dec	251.074	251.233	252.038
01/11/2019 14:30	US	Real Avg Weekly Earnings YoY	Dec	1.2%	1.2%	0.5%
01/11/2019 14:30	US	Real Avg Hourly Earning YoY	Dec	--	1.1%	0.8%
01/02/2019 10:00	EA	Markit Eurozone Manufacturing PMI	Dec F	51.4	51.4	51.4
01/03/2019 10:00	EA	M3 Money Supply YoY	Nov	3.8%	3.7%	3.9%
01/04/2019 10:00	EA	Markit Eurozone Services PMI	Dec F	51.4	51.2	51.4
01/04/2019 10:00	EA	Markit Eurozone Composite PMI	Dec F	51.3	51.1	51.3
01/04/2019 11:00	EA	PPI MoM	Nov	-0.2%	-0.3%	0.8%
01/04/2019 11:00	EA	PPI YoY	Nov	4.2%	4.0%	4.9%
01/04/2019 11:00	EA	CPI Core YoY	Dec A	1.0%	1.0%	1.0%
01/04/2019 11:00	EA	CPI Estimate YoY	Dec	1.7%	1.6%	2.0%
01/07/2019 10:30	EA	Sentix Investor Confidence	Jan	-2.0	-1.5	-0.3
01/07/2019 11:00	EA	Retail Sales MoM	Nov	0.2%	0.6%	0.3%
01/07/2019 11:00	EA	Retail Sales YoY	Nov	0.4%	1.1%	1.7%
01/08/2019 11:00	EA	Consumer Confidence	Dec F	-6.2	-6.2	-6.2
01/08/2019 11:00	EA	Economic Confidence	Dec	108.2	107.3	109.5
01/08/2019 11:00	EA	Business Climate Indicator	Dec	1.00	0.82	1.09
01/08/2019 11:00	EA	Industrial Confidence	Dec	3.0	1.1	3.4
01/08/2019 11:00	EA	Services Confidence	Dec	12.3	12.0	13.3
01/09/2019 11:00	EA	Unemployment Rate	Nov	8.1%	7.9%	8.1%
01/02/2019 08:00	TR	Markit/ISO Turkey PMI Mfg	Dec	--	44.2	44.7
01/03/2019 08:00	TR	CPI MoM	Dec	-0.75%	-0.40%	-1.44%
01/03/2019 08:00	TR	CPI YoY	Dec	20.50%	20.30%	21.62%
01/03/2019 08:00	TR	PPI MoM	Dec	-1.50%	-2.22%	-2.53%
01/03/2019 08:00	TR	PPI YoY	Dec	34.60%	33.64%	38.54%
01/03/2019 08:00	TR	CPI Core Index YoY	Dec	19.80%	19.53%	20.72%
01/04/2019 12:30	TR	Foreigners Net Stock Invest	Dec 28	--	-\$6m	\$239m
01/04/2019 12:30	TR	Effective Exchange Rate	Dec	--	75.00	74.59
01/08/2019 15:30	TR	Cash Budget Balance	Dec	--	-23.7b	4.4b
01/10/2019 12:30	TR	Foreigners Net Bond Invest	Jan 4	--	-\$102m	-\$471m
01/11/2019 08:00	TR	Current Account Balance	Nov	0.90b	0.99b	2.77b
01/11/2019 12:30	TR	Expected Inflation Next 12 Mth	Jan	--	15.91%	16.46%

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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.