



Today's Highlights

The Chinese coronavirus triggered a clear aversion to risk across the financial markets, sending equities sharply lower, especially in Emerging Markets, as well as Oil and cyclical commodities.

The Chinese markets opened today with a 9.10% initial drop on the Shanghai Composite index while the benchmark bond yields also tumbled to 2.80%

The PBOC injected 900 billion yuan (\$129 billion) of funds with seven-day reverse repurchase agreements at 2.4%. It also injected 300 billion yuan with 14-day contracts at 2.55%.

Asia HY bonds and Investment-grade bond spreads widened following the sharp drop in US Treasury yields on Friday.

The yields on India Sovereign bonds fell by 10bps, as prices surged after the Union Budget avoided extra government borrowing for the current fiscal year.

Alphabet to release Q4 earnings today.

ON THE DATA FRONT;

Manufacturing PMI from UK, Euro-area, Spain, Italy, France and Germany are due today

Russia 2019 GDP figures

US Treasury yield plunges as investors seek shelter



S&P 500	3226	-1.77%	DFM	2766	-0.86%
Eurostoxx	3641	-1.35%	ADX	5116	-0.78%
Topix	1673	-0.69%	Tadawul	8158	-1.08%
Hang Seng	26336	0.09%	Sensex	39851	0.29%
US 10yr	1.52%	1.13 bps	Gold	1581	-0.53%
US 2yr	1.33%	0.91 bps	WTI	51.39	-0.33%
Bund 10yr	-0.43%	-2.8 bps	EUR/\$	1.108	-0.09%
Gilts 10yr	0.52%	-1.8 bps	GBP/\$	1.317	-0.30%

Bloomberg Data as on 03 Feb 20



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