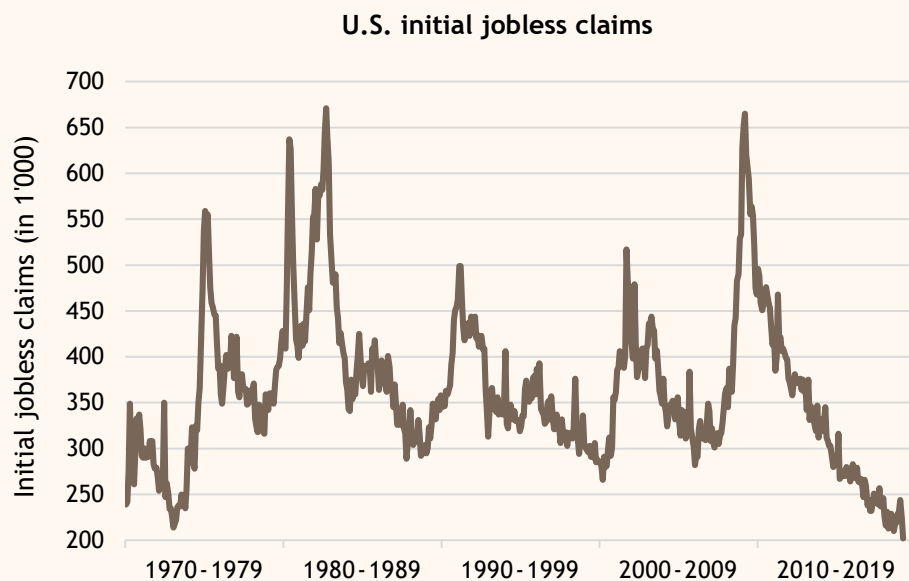


### Key Economic Figures/Events of the Week

- Unlike the previous week, this one saw a jump in optimism across the global financial markets. The positive sentiment was mostly driven by the progress in the U.S.-China trade talks, the new round of which was held in Washington this week, and signs of recovery in China's economy. Stronger-than-expected Purchasing Managers' Index (PMI) for China's manufacturing sector came in at 50.8 in March, while its U.S. equivalent climbed to a solid 55.3, beating the consensus forecast by 0.8. PMI readings above 50 indicate an expansion both in the United States and China, ebbing fears of a global economic downturn.
- Filings for U.S. unemployment benefits unexpectedly fell last week, indicating the jobs market continues to tighten. Initial jobless claims declined 10,000 to 202,000 in the week ended March 30, below all economist forecasts and the lowest since December 1969.



Source: Bloomberg

- The U.S. unemployment data, a wave of positive news-flow around the U.S.-China trade negotiations, with both parties calling them constructive and productive, coupled with China's willingness to suspend extra tariffs on U.S.-made vehicles and auto parts for three months outweighed weak U.S. labour market statistics released this week, with only 129,000 jobs added in March, below a consensus expectation of 175,000.
- All this fuelled investors' risk appetite, naturally nudging the U.S. Treasury yields higher, with the 10-year yields rising as much as 10 bps over the week.
- By contrast, Europe looks much less optimistic. Germany's PMI dipped to its seven-year low in March, while the Brexit uncertainty keeps investors on edge. As the UK Parliament rejected Theresa May's Brexit plan for the third time, the EU leaders agreed to postpone the UK's departure until 12 April. If, by this deadline, May fails to come up with an alternative plan that works for both sides, the UK would have to leave the bloc without a deal. Obviously, this is not part of the EU's plans, so in recent days there have been reports that the head of the European Council, Donald Tusk, has taken the initiative to grant Britain a postponement of Brexit for a 12-month period.

### Weekly Investment Insights

- Brazil's JBS S.A., a leading global meat processing company, posted its Q4 2018 financials that missed analysts' estimates. While the company's EBITDA grew by 6% y-o-y to BRL 3.4 bn, stronger y-o-y revenue was offset by higher finance expenses and income taxes, driving the net profit down to BRL 563 m, almost 70% below the consensus expectations. That said, JBS has kept generating a stable cash flow of BRL 1.6 bn, reducing its net debt/EBITDA ratio to 3.2 x from 3.4x in Q3 2018 and 2017.

### Strategy

We keep taking part in attractive primary offerings. This week, Alrosa (BBB-/Baa2/BBB-), the world leading in diamond mining company from Russia, issued a USD500 mln, 5y Eurobond with the initial yield guidance of 5.0-5.125%. We placed our order in this primary placement but the final yield ended up at 4.65%, way below our limit stripping off the premium. We also participated in the offering of 5-year bonds of Rakbank (Baa1/BBB+), a public joint stock company headquartered in the emirate of Ras Al-Khaimah, in the United Arab Emirates (UAE) and 53% owned by the Government of Ras Al-Khaimah, which were placed at a yield to maturity of 4.194%.

We continue to monitor both the secondary and the primary markets looking for new investment opportunities.

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**We hope you find this information useful and will be glad to answer your questions**

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