

## Stocks fall under tension over Hong Kong, crude low: Colombia Today

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### Body

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(Bloomberg) -- S&P; Futures fall alongside European stocks in the face of escalating tensions between the U.S. and China after Beijing announced that it plans to impose a national security law in Hong Kong. 10-year low Yield bonds of the Treasury. Bloomberg Dollar Index advances and MSCI index of emerging market currencies backs down. WTI oil falls from its highest level in more than two months, after doubts arose about the strength of China's economic recovery, with china state-owned National Petroleum noting that fuel demand in the country will fall by 5% this year.

In Colombia, Finance Minister Alberto Carrasquilla said the government plans to increase public spending to boost the economy. The executive is thinking of a third stimulus package where Carrasquilla noted that large companies that are having cash flow problems could benefit.

The city of Bogota sold bonds of 600 billion pesos in the local market with a total demand of 1.19 billion pesos. District Finance Secretary Juan Mauricio Ramírez said an estimated contraction in the capital's economy of between 4.2% and 8% this year.

The Ministry of Finance announced the result of the exchange of bonds of 2 trillion pesos with the National Treasury. TES UVR bonds were redeemed with maturity in March 2021 for TES maturing in 2030, 2032 and 2034.

The peso continued its path of profit by supporting higher oil prices, and on Thursday it rose 1.1% closing at 3,770.80 per dollar. In this way the coin is on track to complete weekly appreciation.

On Thursday, 643 cases of coronavirus and 22 deaths were reported, bringing the number of confirmed cases to 18,330 and deaths to 652.

Next Monday is a public holiday in Colombia, as in the United States. All events in local time.

International:

On the opening day of the annual delayed congress of politicians in China there were mixed events for Chinese-American relations

Prime Minister Li Keqiang told the assembly that Beijing was still committed to implementing the first-stage trade agreement, despite the impact of coronavirus on the economy and tensions between the two sides

Due to uncertainty about growth prospects, the Government also confirmed that it is abandoning a numerical target for its growth for this year, and said it will instead focus on employment

Still, positive trade claims have been overshadowed by China's takeover in Hong Kong

Beijing will be imposed for all purposes on the city legislature to enforce national security laws. Residents fear the measure will erode freedoms of expression, meeting and the press

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TO BE PENDING:

In Colombia:

Auctions:

Sale of dollars through:

10:45am: 32-day NDF forward contracts for USD380.5m

12:15pm: FX swaps 60 days per USD400m

Transitional expansion include 90-day repos per COP5 billion, and 32 days per COP1 billion

International:

Do not publish relevant macro data in THE U.S. until May 26

Fed Agenda:

They do not have public events until May 26

Relevant agendas:

South america

Us.

Mexico

Brazil

Europe

News:

Carrasquilla says Colombia to add stimulus package

Bogota City sells COP600,000m in local bonds

Colombia exchanged COP2b from TES UVR due in 2021

Comment:

Pending the publication today of worker remittance data by the Bank of the Republic, Banco de Bogotá comments that "April results could be the antechamber of the bearish path that would present remittances for the loss of traction of the global economy"

It would "leave behind the favorable balance that the indicator brought in the first three months of the year, when it grew 13% annually", analysts led by Camilo Pérez write in report

In March alone, remittances increased by more than 30% per year, which "could be explained by anticipation of such reversals, prior to the start of confinement measures and the deterioration of the labour market in the world"

In addition, the devaluation of the exchange rate, which reached all-time highs in that month, could also incentivize the shipment of remittances

For this year, they forecast a drop of about 40% in remittance volume to \$4 billion, up from \$6.7 billion last year

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