

Daily Matters

October 9, 2015

MARKET INDICATORS

As of October 8, 2015

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,106.79	-2.01	-0.03%
Dow Jones	17,050.75	138.46	0.82%
S&P 500	2,013.43	17.60	0.88%
NASDAQ	4,810.79	19.64	0.41%
MSCI Asia ex-Japan	514.00	-1.82	-0.35%
MSCI Emerging Market	848.37	-2.41	-0.28%
5 Yr FXTN	3.49	-	
10 Yr US Treasury	2.08	-2 bps	
USD/PHP	46.11	-0.03	-0.07%

Source: Bloomberg

NEWS IN THE PHILIPPINES

Car Sales Up 32% YoY

- According to a report from the Chamber of Automotive Manufacturers of the Philippines Inc. (CAMPI) and the Truck Manufacturers Association Inc. (TMA), automotive sales grew 21% to 206,284 units from 169,727 units during the first nine months of the year. CAMPI expects combined sales with the TMA to reach 310,000 units this year, 32% higher than last year's 234,747 sold units. Toyota Motor Philippines Corp. remains to be the market leader with a 40.9% market share, followed by Mitsubishi Motors with 18%.

Local Bond Market

- The yield of the benchmark 5-year bond was unchanged at 3.49%.
- On the local fixed income space, bond prices moved sideways amid the continued lack of fresh leads. Yields rose by an average of 0.23 basis points led by the short-end of the curve, which increased by 19.3 basis points. However, this was offset by a decline in yields on the belly of the curve, which fell by 15.3 basis points.

Philippine Stocks

- The local equities market ended flat as gains made earlier during the day were wiped by profit-takers. The PSEi lost 2.01 points, or -0.03%, to close at 7,106.79.

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Philippine Peso

- The Peso traded flat with hardly an upward bias relative to the US Dollar once again today on residual pessimism on US economic prospects and Fed liftoff in the absence of other market-moving developments. The USD/PHP pair fell 3 centavos, or -0.07%, to close today's trading at the 46.11 level.

NEWS AROUND THE WORLD

Fed Minutes Show Low Inflation as Reason for Hike Delay; US Jobless Claim Falls WoW

- Minutes from the Federal Reserve's September meeting minutes revealed that officials chose not to raise the benchmark Fed funds rate because it would be prudent to await further evidence of a slowing economy, and because they were concerned that inflation would not reach their 2% target for several years. Many of the officials acknowledged that recent global economic and financial developments may have increased the downside risks to economic activity somewhat. Moreover, the interest rate decision will depend on economy activity and inflation, though labor market conditions would soon meet one of the Fed's criteria for beginning policy normalization.
- The number of Americans filing applications for unemployment claims fell by 13,000 to a seasonally adjusted 263,000, much lower than the market estimate of 274,000 for the week ended October 3. This was the lowest since mid-July, and the 31st straight week that claims stayed below 300,000.

US Stock Market

- US equities once again rallied after minutes of the September FOMC meeting suggested that the decision to retain low rates was largely due to global developments, making it prudent to await for data before making any final moves. The Dow Jones Industrial Average index rose 138.46 points, or 0.82%, to 17,050.75, and the S&P500 index climbed 17.60 points, or 0.88%, to 2,013.43. The tech-rich Nasdaq edged up 19.64 points to close at 4,810.79.

Asian Stocks

- Most Asian stock markets were flat to weaker on Thursday as quick profit-taking hit energy shares and investors lowered risky holdings ahead of a quarterly reporting season. The MSCI Asia-Ex Japan Index gave back 0.35% or 1.82 points to close at 514.00.

Emerging Market Stocks

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- Emerging stocks slipped off 1-1/2 month highs and currencies weakened on Thursday as investors booked profits off a six-day rally while German data cast a pall on central European markets. The MSCI Emerging Markets Index declined by 0.28% or 2.41 points to close at 848.37.

Sources: Bloomberg, Briefing.com, Business World, CNN, Inquirer, PhilStar, Reuters, WSJ

Prepared by:

ATR Asset Management

Tel: +63 (2) 8481381; Fax: +63 (2) 8410315

Website: www.atram.com.ph



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