

Daily Matters

October 26, 2016

MARKET INDICATORS

As of October 25, 2016

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,580.22	-29.09	-0.38%
Dow Jones	18,169.27	-53.76	-0.30%
S&P 500	2,143.16	-8.17	-0.38%
NASDAQ	5,283.40	-26.43	-0.50%
MSCI Asia ex-Japan	553.29	-0.23	-0.04%
MSCI Emerging Market	918.25	-0.15	-0.02%
5 Yr FXTN	3.93	1 bp	
10 Yr US Treasury	1.76	-1 bp	
USD/PHP	48.24	-0.02	-0.04%

Source: Bloomberg

NEWS IN THE PHILIPPINES

Bank Deposits Expand at End-August

- Bangko Sentral ng Pilipinas (BSP): Data showed that total deposits as of the end of August reached Php7.6 trillion, 12.5% higher over a year ago. Savings deposits rose 14.8%, demand deposits by 16.8% while time deposits increased by 3.5%. Likewise, the banking industry's total resources in the first half of the year amounted to Php12.9 trillion, 12% up from end-June 2015's Php11.5 trillion. Despite these the domestic financial institutions' capital adequacy ratio (CAR) lies well above international standards.

Local Bond Market

- The yield of the benchmark 5-year bond added 1 bp at 3.93.
- In the local fixed income space, prices of government securities marginally fell as sentiment was mixed over the lack of major catalysts. Yields increased by an average of 1.22 bps, with the short-end, belly, and long-end of the curve rising by 2.3 bps, 0.6 bps, and 0.9 bps, respectively.

Philippine Stocks

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- The local equities market lost ground again yesterday as investor uncertainty trumped potential optimism from President Duterte's Japan state visit. The PSEi lost 29.09 points, or -0.38% to close at 7,580.22.

Philippine Peso

- The Peso strengthened against the US dollar as dollar-heavy investors took some gains off the table. The USD / PHP pair fell by 2 centavos or 0.04%, closing at 48.24.

NEWS AROUND THE WORLD

US Consumer Confidence Steps Back in October

- US Conference Board: The index of consumer confidence dropped to 98.6 in October from 103.5 in September. Confidence, which soared in late summer, retreated this month due to consumers lowering their assessments of both the economy's present state and the likelihood it will perform strongly in the future. The present situation index fell more than 7 points this month to 120.6, while the expectations index declined more than three points to 83.9.

US Stock Market

- US stocks fell on disappointing earnings reports on Tuesday. The Dow Jones industrial average declined 53.76 points, or 0.3 percent, to 18,169.27, the S&P 500 decreased 8.17 points, or 0.38 percent, to 2,143.16 and the Nasdaq Composite dropped 26.43 points, or 0.5 percent, to 5,283.40.

Asian Stocks

- Most Asian shares dropped after Apple Inc., the world's largest company, disappointed investors with its first annual sales decline since 2001. The MSCI Asia-Ex Japan Index retreated 0.23 points or 0.04% to close at 553.29.

Emerging Market Stocks

- Most emerging market stocks retreated as Brazilian consumer companies slumped on prospects for a slower-than-expected reduction in borrowing costs, outweighing gains in commodity producers from South Africa to China. The MSCI Emerging Markets Index fell 0.15 points or 0.02% to 918.25.

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

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