

Daily Matters

October 28, 2015

MARKET INDICATORS

As of October 27, 2015

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,325.76	1.36	0.02%
Dow Jones	17,581.43	-41.62	-0.24%
S&P 500	2,065.89	-5.29	-0.26%
NASDAQ	5,030.15	-4.55	-0.09%
MSCI Asia ex-Japan	531.76	-1.72	-0.32%
MSCI Emerging Market	862.71	-4.94	-0.57%
5 Yr FXTN	3.49	-1 bp	
10 Yr US Treasury	2.04	-2 bps	
USD/PHP	46.72	0.18	0.39%

Source: Bloomberg

NEWS IN THE PHILIPPINES

Import Grows Slowly in August

- Philippine Statistics Office (PSA): Data showed that imports grew at a slower pace in August due to the weaker demand in minerals and transport equipment. Total imports were recorded at US\$6.08 billion, 4.1% higher than last year's US\$5.84 billion. This growth is slower compared to the same month last year which clocked in at 5% and last month's 16.9% expansion. Year-to-date, imports totaled US\$43.65 billion, 1.5% higher than the same period last year. Meanwhile, the country's balance of trade stood at a deficit of US\$953.89 million as of August, more than double of last year's US\$373.28 million deficit.

Local Bond Market

- The yield of the benchmark 5-year bond lost 1bp at 3.49%.
- On the local fixed income space, prices of government securities rose yesterday as investors adopted a wait-and-see mode ahead of the results of the FOMC meeting set to conclude this week. Yields also tracked the downward movement in the 10Y US Treasuries overnight. Yields declined by an average of 15.31 basis points as the short-end, belly and long-end of the curve, fell 29, 13.4 and 0.2 basis points, respectively.

Philippine Stocks

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- The local equities market ended flat as investors locked in gains made in the prior week. The PSEi gained 1.36 points, or +0.02%, to close at 7,325.76 level. Market breadth was negative with 91 declines outnumbering 72 advances, while 54 issues remain unchanged.

Philippine Peso

- The Peso traded sideways with a downward bias relative to the US Dollar once again yesterday. Net buying interest in the greenback prevailed again as traders rebalanced to safe-haven assets ahead of the October FOMC meeting. The USD/PHP pair rose 18 centavos, or 0.39%, to close yesterday's trading at the 46.72 level.

NEWS AROUND THE WORLD

US Orders for Durable Goods Down in September; Conference Board Consumer Confidence Index Retreats

- US Commerce Department: New orders for durable goods declined by a seasonally adjusted 1.2% in September from last month. This posted the second consecutive monthly drop. Meanwhile, non-defense capital goods orders excluding aircraft slipped 0.3% following the downwardly revised 1.6% decline in August. Economists had originally forecasted orders to be unchanged following the upwardly revised August figure. Manufacturing in general has been hindered by a strong dollar and spending cuts in the energy sector. Manufacturing, which accounts for 12% of the economy, has been hit by efforts of businesses to reduce an inventory oversupply
- For the month of October, the Conference Board's consumer confidence index fell to 97.6 in October, following September's 9-month high of 102.6. According to the director of economic indicators at the Board, "Consumers still rate current conditions favorably, but they do not anticipate the economy strengthening much in the near-term," Less people surveyed for the business research group described jobs as "plentiful" compared to in September.

US Stock Market

- U.S. equities ended lower on Tuesday amid falling oil prices and marked caution ahead of the FOMC meeting. The Dow Jones Industrial Average index lost 41.62 points, or -0.24%, to close at 17,581.43 and the S&P500 index lost 5.29 points, or -0.26%, to 2,065.89. The tech-rich NASDAQ shed 4.55 points or 0.09% to 5,030.15.

Asian Stocks

- Asian stocks fell on Tuesday amid low trading volumes, with the regional benchmark index retreating from its highest level in two months as energy shares led losses and investors awaited policy decisions. The MSCI Asia-Ex Japan Index slid 0.32% or 1.72 points to close

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at 531.76.

Emerging Market Stocks

- Emerging market equities were on course for their fifth decline in six days on Tuesday and currencies weakened before two key central bank meetings, as a rally built on further stimulus hopes fizzled out. The MSCI Emerging Markets Index fell 0.57% or 4.94 points to close at 862.71.

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

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