

# Daily Matters

October 28, 2016

## MARKET INDICATORS

As of October 27, 2016

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,445.14	-49.27	-0.66%
Dow Jones	18,169.68	-29.65	-0.16%
S&P 500	2,133.04	-6.39	-0.30%
NASDAQ	5,215.97	-34.30	-0.65%
MSCI Asia ex-Japan	544.90	-3.35	-0.61%
MSCI Emerging Market	905.31	-5.27	-0.58%
5 Yr FXTN	3.93	-1 bp	
10 Yr US Treasury	1.85	6 bps	
USD/PHP	48.50	0.15	0.31%

Source: Bloomberg

## NEWS IN THE PHILIPPINES

### Infrastructure Spending Up in August

- Department of Budget and Management (DBM): State infrastructure spending has recovered for the month of August as the government believes that the positive movement will continue to occur for the rest of 2016. Capital outlays was recorded at Php41.5 billion for that month, an increase by 29.6% from 2015. This also represented a boost from 0.8% in July. Currently, the government has already used 58.3% from its 2016 budget in relation to infrastructure.

### Local Bond Market

- The yield of the benchmark 5-year bond fell 1 bp at 3.93.
- In the local fixed income space, prices of government securities marginally fell as investors continued to take profit ahead of US 3rd quarter GDP data, repositioning towards the belly of the curve and a more neutral duration. Yields rose by an average of 1.91 bps, with the short-and long-end of the curve rising by 4.2 bps and 20.4 bps, respectively while the belly fell by 11 bps

### Philippine Stocks

The content on this material is provided for information purposes only and should not be considered as investment advice. This document is not a solicitation or an offer to buy or sell any securities or related financial products. While this document was prepared with reasonable care, no guarantee is given as to the accuracy and completeness of the information herein. Information and/or views contained herein are for information only and based on data that ATR Asset Management (ATRAM) has researched. However, ATRAM does not represent that the information and/or views are accurate or complete, and these should not be relied upon as such. Any person receiving this document must make his/her own investigation and satisfy him-/herself as to the accuracy and completeness of the information and/or views. Any information or opinion expressed in this document is subject to change without prior notice. This document may not be reproduced or distributed without written consent from ATR Asset Management.

- The local equities continued its decline yesterday, tracking overnight markets digesting weak corporate earnings and economic data coming from the US. The PSEi lost 49.27 points, or -0.66% to close at 7,445.14.

### Philippine Peso

- The Peso traded sideways with a downward bias against the US dollar as investor consensus of a December US fed rate hike continues to grow, despite weak corporate and economic data coming from the US. The Peso weakened by 15 centavos or 0.31%, closing at 48.50.

## NEWS AROUND THE WORLD

### US Durable Goods Orders Slip 0.1% in September; UK Economy Up 0.5% Since Brexit Vote

- US Commerce Department: New home sales in September rose 3.1% to 593,000 following a decline in August. Year-on-year, sales were up 30%. Nonetheless, there were sharp downward revisions to the August number (575,000 from 609,000) and July (629,000 from 629,000). It was also reported that prices rose 6.7% for the month to a median of US\$313,500.
- US trade deficit in goods narrowed sharply in September to US\$56.1 billion compared to US\$59.2 billion in August. Exports in September rose 0.9%, driven by capital goods which increased 3.8%. Exports of consumer goods likewise rose by 4.4% and industrial supplies were up 2.3%. In contrast, imports fell 1.1%. Despite this, auto sales still rose 4.3%.

### US Stock Market

- With the clear indication of strong earnings, Wall Street investors were quick to take profit after global bond sell-off. The Dow Jones Industrial Average Index fell 29.65 points or 0.16% to 18,169.68 while the S&P 500 declined by 6.39 points or 0.30% to 2,133.04. The Nasdaq Composite dropped 34.30 points, or 0.65 percent, to 5,215.97.

### Asian Stocks

- Asian markets marginally fell yesterday, driven by lower oil prices and weak economic data coming from China. The MSCI Asia-Ex Japan Index declined 3.35 points or 0.61% to close at 544.90.

### Emerging Market Stocks

- Emerging market stocks slid into negative territory for the month as the prospect of higher U.S. interest rates and dollar bubbled in the background. The MSCI Emerging Markets Index shed 5.27 points or 0.58% to 905.31.

The content on this material is provided for information purposes only and should not be considered as investment advice. This document is not a solicitation or an offer to buy or sell any securities or related financial products. While this document was prepared with reasonable care, no guarantee is given as to the accuracy and completeness of the information herein. Information and/or views contained herein are for information only and based on data that ATR Asset Management (ATRAM) has researched. However, ATRAM does not represent that the information and/or views are accurate or complete, and these should not be relied upon as such. Any person receiving this document must make his/her own investigation and satisfy him-/herself as to the accuracy and completeness of the information and/or views. Any information or opinion expressed in this document is subject to change without prior notice. This document may not be reproduced or distributed without written consent from ATR Asset Management.

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](http://www.atram.com.ph)



**Disclaimer:**

This e-mail, including any attachments, is for the exclusive use of the intended recipient/s. It may contain confidential, proprietary or legally privileged information. If you received this e-mail by mistake, kindly delete it and any attachments from your system, destroy any hard copies and notify the sender immediately. Retention, dissemination, distribution, copying or otherwise making use of any part of this e-mail and any attachments if you are not the intended recipient is strictly prohibited. Thank you.

This e-mail and any attachments are neither a solicitation nor an offer to buy or sell any security or related financial product. Information and/or views contained herein are for information only and based on data that ATR Asset Management (ATRAM) has researched. However, ATRAM does not represent that the information and/or views are accurate or complete, and these should not be relied upon as such. Any person receiving this e-mail must make his/her own investigation and satisfy him-/herself as to the accuracy and completeness of the information and/or views. This document may not be reproduced or distributed without written consent from ATR Asset Management.

The content on this material is provided for information purposes only and should not be considered as investment advice. This document is not a solicitation or an offer to buy or sell any securities or related financial products. While this document was prepared with reasonable care, no guarantee is given as to the accuracy and completeness of the information herein. Information and/or views contained herein are for information only and based on data that ATR Asset Management (ATRAM) has researched. However, ATRAM does not represent that the information and/or views are accurate or complete, and these should not be relied upon as such. Any person receiving this document must make his/her own investigation and satisfy him-/herself as to the accuracy and completeness of the information and/or views. Any information or opinion expressed in this document is subject to change without prior notice. This document may not be reproduced or distributed without written consent from ATR Asset Management.