

# Daily Matters

October 20, 2015

## MARKET INDICATORS

As of October 19, 2015

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,054.86	-0.88	-0.01%
Dow Jones	17,230.54	14.57	0.08%
S&P 500	2,033.66	0.55	0.03%
NASDAQ	4,905.47	18.78	0.38%
SCI Asia ex-Japan	530.99	1.67	0.32%
MSCI Emerging Market	867.25	1.97	0.23%
5 Yr FXTN	3.48	-1 bp	
10 Yr US Treasury	2.02	-1 bp	
USD/PHP	46.12	0.05	0.12%

Source: Bloomberg

## NEWS IN THE PHILIPPINES

### BOP Swings to Surplus in September

- **Bangko Sentral ng Pilipinas (BSP):** The country's balance of payments (BOP) position reversed to a surplus last month, pushing the year-to-date total closer to the full-year 2015 target. The BOP position for September reached a \$219 million surplus, wider than the \$98 million surplus during the same month last year and a turnaround from the \$450 million deficit in August, the largest deficit since January 2014. The nine-month BOP position stood at \$1.81 billion, closer to the expected \$2.0 billion surplus for the year.

### Local Bond Market

- The yield of the benchmark 5-year bond declined 1 bp to close at 3.48%.
- The yields of bonds mostly rose with 8 yields rising and 4 falling.

### Philippine Stocks

- The Philippine stock market barely budged despite signs of a weakening Chinese economy. Investor are still looking at local corporate earnings despite disappointing news from abroad. The Philippine Stock Exchange index (PSEi) shed 0.01% or 0.88 points to close at 7,054.86. Market breadth was negative with losers outpacing gainers at 95 to 89 while 30

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issues were unchanged.

### **Philippine Peso**

- The peso weakened against the greenback on light trading as investors stayed on the sidelines amidst a lack of fresh leads. The local currency closed 0.12% or 5 cents higher at 46.12.

## **NEWS AROUND THE WORLD**

### **China GDP Growth Falls Below 7%, Industrial Production, Property, and Fixed-Asset Investment Continue to Slow**

- China National Bureau of Statistics (NBS): China's real gross domestic product (GDP) grew by 6.9% during the July to September period, down 0.1 percentage point from the previous quarter and falling below 7% for the first time since 2009. The growth, however, was still better than the expected 6.8% pace. Stagnant investment and production are weakening Chinese growth which in turn is weighing in on the global economy.
- In another report, industrial production, property investment, and fixed-asset investment all grew at a slower pace than previously reported. Industrial production grew by 5.7%, lower than 6.1% in August as cheaper wholesale prices and slow car sales are hampering manufacturing. Property investment increased by 2.6% in the January to September period, down from 4.6% in the January to June period while fixed-asset investment, a measure of trends in construction and capital spending, grew by 10.3% for the nine-month period but weaker than the 11.4% growth during the January to June period.

### **US Stock Market**

- U.S. markets still finished marginally higher despite steep losses on energy stocks and a drop in oil prices. (Dow Jones 0.08% 17,230.54; NASDAQ 0.38% 4,905.47; S&P 500 0.03% 2,033.66)

### **Asian Stocks**

- Asian stocks ended mixed as investors ignore soft Chinese growth data. The MSCI Asia-Ex Japan Index grew 0.32% or 1.67 points to close at 530.99.

### **Emerging Markets**

- Emerging market stocks rose after news of weaker-than-expected Chinese industrial production and fixed-asset investment increased optimism of more stimulus from Beijing. The MSCI Emerging Markets Index jumped 0.23% or 1.97 points to close at 867.25.

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

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