

Daily Matters

October 20, 2016

MARKET INDICATORS

As of October 19, 2016

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,721.57	150.42	1.99%
Dow Jones	18,202.62	40.68	0.22%
S&P500	2,144.29	4.69	0.22%
Nasdaq	5,246.41	2.57	0.05%
MSCI Asia ex-Japan	550.65	1.52	0.28%
MSCI Emerging Market	913.35	4.8	0.53%
5Yr FXTN	3.95	4bps	
10 Yr US Treasury	1.74	1bp	
USD/PHP	47.99	-0.19	-0.40%

Source: Bloomberg

NEWS IN THE PHILIPPINES

September sees BoP surplus, smallest in 7 months

- Bangko Sentral ng Pilipinas confirmed that the country's balance of payments (BOP) position remained in surplus in the month of September as it stood at \$117 million. The said figure is also the lowest since a \$251 million deficit logged in February.
- According to the BSP Deputy Governor Mr. Guinigundo, last month was quoted a "challenging" period for financial markets, due to heightened volatility in the face of uncertain monetary policy direction in the United States.

Local Bond Market

- The yield of the benchmark 5-year bond finished at 3.95% at 3.93 bps.
- The yields of bonds mostly fell with 7 yields falling and only 4 yields rising.

Philippine Stocks

- The Philippine Stock Market rallied for their second straight day as it passed the 7,700 level due to Asian Markets favored the economic data from China. The Philippine Stock Exchange index (PSEi) added 150.42 points or 1.98% to close at 7,721.57. All sectors were fairly mixed as there were 119 advancers, 76 decliners, while 40 remained flat.

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Philippine Peso

- The Philippine peso appreciated on a strong point as China posted a steady economic growth in the 3rd quarter and also due to a weaker-than-expected US core inflation as it closed to Php 47.99.

NEWS AROUND THE WORLD

US MBA mortgage applications 0.6% vs -6.0% prior

- According to the Mortgage Bankers Association, mortgage applications increased the volume to 0.6% on an adjusted basis during the week ended Oct. 14. Applications for refinances decreased 1%, while applications for purchases increased 3%.
- The tally includes an adjustment for the Columbus Day holiday. Applications are now 18.5 percent higher than a year ago.

US Stock Market

- The US Stock Market rose after yesterday's trade boosted by the energy sector and stronger-than-expected quarterly results from Morgan Stanley. Dow Jones is at 18,202.62 with 0.22% or 40.68 points being the biggest gainer; Tech Savy NASDAQ edged up less at 5,246.41 with 0.05% or 2.57 points and lastly, the S&P 500 finished off at 2,144.29 with 0.22% or 4.69 points.

Asian Stocks

- As the World stocks weaken, China GDP ups the Asian market as its economy expanded more than expected in the 3rd quarter. The MSCI Asia-Ex Japan Index is at 550.65 with 1.52 points or 0.28%.

Emerging Markets

- Emerging Markets were also affected by China's data as it grew as expected last quarter which made the Emerging Markets gain as well. The MSCI's emerging markets benchmark added 0.3% lifted by gains in Russia, central and Eastern Europe and select Asian bourses such as Taiwan. The MSCI Emerging Markets Index finished off at 913.35 with 4.8 points or 0.53%.

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

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