

# Daily Matters

October 21, 2016

## MARKET INDICATORS

As of October 20, 2016

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,713.32	-8.25	-0.11%
Dow Jones	18,162.35	-40.27	-0.22%
S&P500	2,141.34	-2.95	-0.14%
Nasdaq	5,241.83	-4.58	-0.09%
MSCI Asia ex-Japan	551.05	0.4	0.07%
MSCI Emerging Market	913.38	0.03	0.00%
5Yr FXTN	3.93	2bps	
10 Yr US Treasury	1.76	1bp	
USD/PHP	48.08	0.09	0.19%

Source: Bloomberg

## NEWS IN THE PHILIPPINES

### BSP sees inflation on track as it picks up

- Bangko Sentral ng Pilipinas is expecting that inflation is to pick up in the months ahead further after last month's reading which was the highest over the year. It has so far averaged 1.6% from January-September, which is below BSP's 1.7% projected average for the full year. The central bank kept inflation forecasts untouched at 2.9% for 2017 and at 2.6% for 2018 as of its September policy review.

### Local Bond Market

- The yield of the benchmark 5-year bond finished at 3.93% at 2.15 bps.
- The yields of bonds still fell with 7 yields falling and only 4 yields rising.

### Philippine Stocks

- The Philippine Stock Market ended flat as investors took money after two successive days of bargain hunting, which saw the index retreating to the 7,700 level yesterday. The Philippine Stock Exchange index closed 0.11% or 8.25 points lower to close at 7,713.32.
- Most sectors finished off the trade on the positive territory, excluding Holding, Mining and Oil sectors.

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### **Philippine Peso**

- The Philippine peso logged its strongest finish in three weeks, ahead of the European Central Bank's policy decision at Php 48.08. Yesterday's close was also the peso's best showing since September 23's P47.99 a dollar. The appreciation is due to the local peso correcting ahead of the Fed meeting.

## **NEWS AROUND THE WORLD**

### **Philly Fed Manufacturing Index Continues to Improve In October**

- The Federal Reserve Bank of Philadelphia released their October 2016 Manufacturing Business Outlook Survey results that shows its monthly diffusion index of current activity fell to 9.7 from the 12.8 index reading from September. The activity level is better than the 5.3 forecast made.

### **US Stock Market**

- The US Stock Market finished lower as a severe drop in oil and telecommunications shares weighed on investors' sentiment. Dow Jones is at 18,162.35 with -0.22% or -40.27 points; Tech Savy NASDAQ declined at 5,241.83 with -0.09% or -4.58 points and lastly, the S&P 500 finished off at 2,141.34 with -0.14% or -2.95 points.

### **Asian Stocks**

- Asian Stocks inched up following the positive lead overnight from Wall Street and also due to the outpouring in crude oil prices. The MSCI Asia-Ex Japan Index is at 551.05 with 0.4 points or 0.07%.

### **Emerging Markets**

- Emerging Markets moved a one-week high with the Mexican peso hitting a six-week peak after the final U.S. presidential debate. The MSCI Emerging Markets Index finished off at 913.38 with 0.03 points.

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