

Daily Matters

October 22, 2015

MARKET INDICATORS

As of October 21, 2015

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,092.90	32.05	0.45%
Dow Jones	17,168.61	-48.50	-0.28%
S&P 500	2,018.94	-11.83	-0.58%
NASDAQ	4,840.12	-40.85	-0.84%
SCI Asia ex-Japan	528.06	-0.78	-0.15%
MSCI Emerging Market	859.10	-5.37	-0.62%
5 Yr FXTN	3.49	1 bp	
10 Yr US Treasury	2.02	-4 bps	
USD/PHP	46.42	0.05	0.10%

Source: Bloomberg

NEWS IN THE PHILIPPINES

BSP Reviews Inflation Path

- Bangko Sentral ng Pilipinas (BSP): The BSP is looking to recalculate its inflation path to assess whether rising oil prices and natural disasters will significantly impact the prices of widely used goods. Global oil prices have begun to pick up despite almost halving its price earlier this year from June 2014 while natural calamities have disrupted rice production in northern and central Luzon. Despite the potential impact, the BSP still has room to tweak its target given very low inflation the past few months. Easing inflation has prompted the Monetary Board to keep its policy settings steady for the past seven meetings last August.

Local Bond Market

- The yield of the benchmark 5-year bond rose 1 bp to close at 3.49%.
- The yields of bonds mostly rose with 8 yields rising and 4 falling.

Philippine Stocks

- The Philippine stock market edged higher as cautious investors continued to look for fresh catalysts to provide direction. The Philippine Stock Exchange index (PSEi) leaped 0.45% or 32.05 points to close at 7,092.90. Market breadth was positive with almost two shares rising for every one that fell while 38 issues were unchanged.

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Philippine Peso

- The peso slid further against the dollar, hitting a fresh two-week low, as traders adjust positions ahead of a European Central Bank (ECB) meeting. The local currency closed 0.10% or 5 cents higher at 46.42.

NEWS AROUND THE WORLD

Japan Trade Deficit Narrows

- Ministry of Economy, Trade, and Industry: Japan's trade deficit narrowed in September to 114.5 billion yen (\$955 million) but exports still fell below expectations due to weaker demand from China. The improvement in the trade balance was due to falling oil and other fuel prices. Meanwhile, exports rose 0.6% from the year before to 6.42 trillion yen (\$53 billion) while imports lost 11% to 6.53 trillion yen (\$54 billion). Exports to China fell 3.5% from a year earlier.

US Stock Market

- U.S. markets fell amidst a volatile trading session as investors sell health-care shares. (Dow Jones -0.28% 17,168.61; NASDAQ -0.84% 4,840.12; S&P 500 -0.58% 2,018.94)

Asian Stocks

- Asian stocks pulled back as concerns on the health of the global economy pummel commodities. The MSCI Asia-Ex Japan Index dropped 0.15% or 0.78 points to close at 528.06.

Emerging Markets

- Emerging market stocks tumbled as all 10 industry groups in the gauge fell, led by energy companies. The MSCI Emerging Markets Index plunged 0.62% or 5.37 points to close at 859.10.

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

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