

Daily Matters

October 25, 2016

MARKET INDICATORS

As of October 24, 2016

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,609.31	-40.91	-0.53%
Dow Jones	18,223.03	77.32	0.43%
S&P500	2,151.33	10.17	0.47%
Nasdaq	5,309.83	52.43	1.00%
MSCI Asia ex-Japan	553.52	4.32	0.79%
MSCI Emerging Market	918.40	7.16	0.79%
5Yr FXTN	3.92	-2 bps	
10 Yr US Treasury	1.76	3 bps	
USD/PHP	48.26	-0.04	-0.09

Source: Bloomberg

NEWS IN THE PHILIPPINES

Tourist Arrivals Breach 4M Mark

- Department of Tourism (DOT): Foreign tourist arrivals in the Philippines breached the four million mark as of the end of August 2016, 12.59% higher than the 3.59 million recorded in the same period last year. For August alone, tourists reached 502,739, 4.59% higher than August 2015. The country's top source market remained to be Korea with 976,499 tourist arrivals, with the US coming in second at 584,149, and China at 484,567. Total revenues from these tourists reached Php164.25 billion, up 7.92% from the same period last year.

Local Bond Market

- The yield of the benchmark 5-year bond declined 2bps to close at 3.92.
- In the local fixed income space, prices of government securities rose, particularly on the short-end, as investors positioned ahead of US 3rd quarter GDP data. Yields decreased by an average of 6.86 bps, with the short-end, belly, and long-end declining by 11.7 bps, 5.2 bps, and 3.3 bps, respectively.

Philippine Stocks

- The local equities market continued to slip as investors booked profits taking into account recent rallies. The PSEi lost 40.91 points, or -0.53%, to end at 7,609.31. Most sectors finished off the trade on the positive territory, excluding Holding, Mining and Oil sectors.

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Philippine Peso

- The PHP rebounded against the USD yesterday as the latter broadly weakened against other regional currencies. The USD/PHP pair fell by 4 centavos or 0.09%, closing at 48.26.

NEWS AROUND THE WORLD

US October Markit PMI Climbed to Highest Since 2015; Japan Exports Fall in September on Stronger Yen

- The Markit “flash” US Manufacturing Purchasing Managers’ index rebounded to 53.2 in October, much better than market estimates of 51.1 and from the previous month’s reading of 51.5. The strong uptick was attributed to stronger output and new business growth, which offsets the softer job hiring. It was reported that manufacturing production has increased for the fifth consecutive month while incoming new orders picked up at the fastest pace for 12 months.
- Japan’s Ministry of Finance reported that September exports were off 6.9% from a year earlier—the 12th straight month of declines—as a stronger yen continued to hurt manufacturers. Imports were off 16.3%, the 21st straight month of contraction. The decline in exports was less than the 10.6% expected by economists surveyed by WSJ.

US Stock Market

- US stocks rebounded on the back of a number of news regarding mergers and acquisitions including the announcement of AT&T’s planned acquisition of Time Warner. The Dow Jones Industrial Average gained 77.32 points, or +0.43%, to 18,223.03 while the S&P 500 added 10.17 points, or +0.47%, to 2,151.33. The tech-rich Nasdaq likewise surged 52.43 points or 1% to 5,309.83.

Asian Stocks

- Asian stocks climbed after U.S. economic data bolstered the case for an interest rate increase this year as investors eye earnings across Japan, China and the U.S. The MSCI Asia-Ex Japan Index added 4.32 points or 0.79% to 553.52.

Emerging Markets

- Emerging markets rose on Monday to two-week highs as a strong performance in Asia extended into European trading. The MSCI Emerging Markets Index advanced 7.16 points or 0.79% to 918.40.

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

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