

Daily Matters

November 15, 2016

MARKET INDICATORS

As of November 14, 2016

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	6,871.48	-103.61	-1.49%
Dow Jones	18,868.69	21.03	0.11%
S&P500	2,164.20	-0.25	-0.01%
Nasdaq	5,218.40	-18.71	-0.36%
MSCI Asia ex-Japan	514.27	-7.55	-1.45%
MSCI Emerging Market	838.96	-10.14	-1.19%
5Yr FXTN	4.25	1 bp	
10 Yr US Treasury	2.26	11 bps	
USD/PHP	49.27	0.23	0.48%

Source: Bloomberg

NEWS IN THE PHILIPPINES

Moody's flags added credit risk

- Moody's Investors Service: confirmed in a report that the Philippine's credit rating can be affected by the shift to anti-immigrant policies in the United States as it could interrupt remittance flows that has been supporting the strong domestic consumption. The country has the most to lose when President Elect Trump will carry out his campaign of America first agenda which would lock out immigrants.
- Moody's expects the economy to grow 6.5% this year and in 2017, still making the Philippines among Asia's fastest-growing economies at a time of subdued prospects elsewhere.

Local Bond Market

- The yield of the benchmark 5-year bond closed 10 bps higher at 4.25%.
- The yields of bonds rose across the board as all yields finished off on a positive state led by the 10 yr and 20 yr bond.

Philippine Stocks

- The Philippine Stock Market started the week in the red as foreign investors continue to dump shares amidst persisting global uncertainties as it plunged by 103.61 points or 1.48% to settle at 6,871.48, completely wiping out all its gains from its end-2015 close. Investors accelerated their outflows and were caught off guard due to the US election results.

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Philippine Peso

- The peso sinks as it finished off at Php 49.27 against the US dollar due to heightened demand for the safe haven unit amidst uncertainties over policies to be imposed by US President-elect Donald Trump. Another reason for the peso's depreciation is because of the market's weak finish.

NEWS AROUND THE WORLD

China retail sales growth slows in October: Government

- National Bureau of Statistics (NBS) shows that the retail sales growth slowed to 10.0% on-year in October, slightly below the forecasts in the Bloomberg News. Beijing has increased fiscal stimulus and loose credit to keep the economy on target to meet its 6.5 to 7% growth target for the year.

US Stock Market

- Dow Jones opened up at a record high drove by Financial Stocks following Trump's unexpected victory in the US election. It capped off at 18,868.69 with 21.03 points or 0.11%, Tech-savvy NASDAQ weighed down by tech giants Apple, Facebook and Microsoft to 5,218.40 with -18.71 points or -0.36% and S&P 500 ended at 2,164.20 with -0.25 points or -0.01%.

Asian Stocks

- Asian markets ended lower as risks of faster U.S. inflation and wider budget deficits sent Treasury yields higher. The MSCI Asia-Ex Japan Index jumped -1.45% or -7.55 points to close at 514.27.

Emerging Markets

- Emerging market faces a meltdown post Trump's victory as it has burst the bond from Mexico to Indonesia at a sharp sell-off. Expectations for a more tightly monetary policy and a December rate hike by the Federal Reserve were also on the works. The MSCI Emerging Markets Index finished with -1.19% or -10.14 points closing at 838.96.

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

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