

Daily Matters

November 23, 2016

MARKET INDICATORS

As of November 22, 2016

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	6,802.73	-176.33	-2.53%
Dow Jones	19,023.87	67.18	0.35%
S&P500	2,202.94	4.76	0.22%
Nasdaq	5,386.35	17.49	0.33%
MSCI Asia ex-Japan	520.44	5.70	1.11%
MSCI Emerging Market	857.45	10.05	1.19%
5Yr FXTN	4.85	1 bp	
10 Yr US Treasury	2.31	-	
USD/PHP	49.89	0.06	0.12%

Source: Bloomberg

NEWS IN THE PHILIPPINES

Construction Retail Prices For 8th Straight Month in October

- Philippine Statistics Authority (PSA): Retail prices of construction materials in Metro Manila rose for the eighth straight month in October. The Construction Materials Retail Price Index (CMRPI) in the National Capital Region (NCR) rose 2.3 percent in October – the fastest pace this year – from two percent the previous month and a reversal of the 1.4 percent contraction in October 2015. PSA said the uptrend was primarily due to the 11.4 percent growth in miscellaneous construction materials. Higher markups were also seen in the indices of electrical materials, painting materials and related compounds, and tinsmithry materials.

Local Bond Market

- The yield of the benchmark 5-year bond closed 1 bp higher at 4.85%.
- The local fixed income securities were basically flat day-on-day. Main mover for the day was the 4-year bond auction, wherein the average yield reached 3.977% with a coupon of 3.375%. The government received a total of Php26.13 billion pesos (\$524.61 million) in bids and accepted Php25.00 billion for the bonds which will be issued on Nov. 24. Yields inched up by 0.58 bps on average, led by the belly of the curve which rose 13.5 bps. The short-end slipped 15.6 bps while the long-end of the curve was basically unchanged, rising only by 0.6 bps.

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Philippine Stocks

- The local equities retreated on the back of foreign fund outflow as optimism brought by strong GDP print wore off. The local market did not benefit from the stock rally in other Asian markets as investors priced in potential oil production cut prior to the November 30 Vienna meeting. The Philippines is a net oil importer economy. The index plummeted 176.33 points or 2.53% to 6,802.73.

Philippine Peso

- The peso continued to weaken against the dollar as markets stayed defensive ahead of the OPEC meeting next week. The peso lost 6 centavos or 0.12%, closing at 49.890 to a dollar

NEWS AROUND THE WORLD

Existing Home Sales Climbs to Highest Level Since 2007

- U.S. home resales rose in October to their highest level in more than 9-1/2 years as homebuyers, buoyed by an improving labor market, took advantage of still-low mortgage rates to snatch up properties after many were shut out during the busy summer selling season. The National Association of Realtors said existing home sales rose 2.0 percent to an annual rate of 5.6 million units last month, the highest level since February 2007.

US Stock Market

- U.S. stocks closed higher Tuesday as the Dow industrials and S&P 500 cleared psychological milestones but major indexes simultaneously reached record highs for a second straight day. The Dow Jones Industrial Average rose 67.18 points, or 0.4%, to finish at 19,023.87, its first session of surpassing and closing above 19,000. Meanwhile, the S&P 500 index finished up 4.76 points, or 0.2%, at a record 2,202.94. The Nasdaq Composite Index gained 17.49 points, or 0.3%, to finish at a record 5,386.35.

Asian Stocks

- Asian stocks bounced to one-week highs on Wednesday as investors tried to share in the exuberance of Wall Street's record run, while high U.S. bond yields kept the dollar well underpinned. The MSCI Asia-Ex Japan Index soared 1.11% or 5.70 points to close at 520.44.

Emerging Markets

- Emerging market equities rose more than one percent to 11-day highs on Tuesday, helped by a broad commodity and equity rally and a pause in the rise of U.S. bond yields and the dollar. The MSCI Emerging Markets Index rose 1.19% or 10.05 points closing at 857.45.

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

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