

Local

- The local equities rebounded, tracking the regional strength, after oil prices rose and US jobs data came in weaker than expected. The PSEi gained 111.32 points, or +1.62%, to close at 6,961.93. All of the sectoral indices ended in green led by the services (+2.50%) and property (2.33%). Market breadth was positive with 112 advances outnumbering 65 declines, while 32 issues remained unchanged. Value turnover reached Php2.68 billion. Foreign investors were buyers at Php93.1 million.
- The Monetary Board eased the rules on dividend declaration of banks and quasi-banks (QBs) to align them with the international standards. Publicly listed banks/QBs will have to comply with the 30-calendar-day timeline prescribed under the ASEAN Corporate Governance Scorecard (ACGS) within which payment of dividends shall be done to shareholders of record. Moreover, the policy requires that the dividend declared shall immediately be recognized in the balance sheet and reflected in the accompanying notes. Noncompliance shall be given a status where "prior Bangko Sentral verification" is required.
- Listed port operator, International Container Terminal Services, Inc. (PSE ticker: ICT) disclosed that it will spend only half of the US\$530 million of its budgeted capex for this year in light of the global growth slowdown. During the first half of the year, ICT had spent US\$136.7 million only or 26% of its total budget. Its Chairman and President, Enrique Razon, however, comforted that earnings may rise as new terminals begin operations.
- On the local fixed income space, yields were down by an average of 5.25 basis points across the curve after the release of disappointing US jobs report and amid expectations of sustained benign domestic inflation. The short-end of the curve declined by an average of 18.8 basis points. Meanwhile, the belly and long-end of the curve increased by an average of 2.2 and 0.3 basis points, respectively.
- The Peso strengthened relative to the US Dollar yesterday, rebounding markedly as investors priced in the disappointing US non-farm payroll jobs report for September and on slowly resuming foreign buying interest in local financial markets. The USD/PHP pair fell 29 centavos, or -0.62%, to close yesterday's trading at the 46.48 level.

US and Europe

- US stocks were up, with major indexes gaining close to 2%, as commodity-related companies and multinationals that benefit from a weaker dollar rallied. This was mainly due to expectations that the Fed rate hike will be delayed given weaker-than-expected employment data, which pushed the dollar lower. The weaker dollar is anticipated to boost American multinational companies' profits when their overseas earnings are converted back to the US currency. The Dow Jones Industrial Average and S&P 500 gained 1.85% and 1.83% to close at 16,776.43 and 1,987.05, respectively.
- Growth in the service sector slowed with services PMI print came in at 55.1 for the month of September. This was lower than prior month reading of 56.1 and consensus estimates of 55.8. New orders and production expanded but slowed slightly while growth in employments was reported to be robust.
- ISM non-manufacturing index was reported at 56.9 in September, weaker than prior month's 59.0 and consensus forecasts' 58.0. The reason was attributed to the slowing of new orders and business activity after an extraordinarily strong performance in previous months. Nonetheless, the survey's employment index increased by 2.3 points to 58.3.
- US Treasury yields rose to their largest single-day gain in about two weeks as funds flowed back to the stock-market. The 2-year and 10-year yields rose by 3 and 6 basis points to end the day at 0.6052% and 2.0562%, respectively.
- European stocks started the week sharply higher as resource companies helped boost the region's stock markets. The FTSEurofirst 300 Index was up 3.01% to close at 1,412.97.
- The US Dollar fell for a second day, vis-a-vis the Euro, as disappointing Markit Non-Manufacturing PMI and Services PMI scores of 56.9 and 55.1, respectively, for September, missed consensus of 58.0 and 55.8. The miss follows on the heels of last Friday's lackluster US NFP jobs report. The EUR/USD pair gained 0.29 US Cents, or 0.26%, to close yesterday's trading at the 1.1245 level.

Asia Pacific

- The Japanese Nikkei rallied yesterday, tracking Wall Street strength on a lower-for-longer scenario following the poor US labor result last Friday. A weaker US Dollar and developments surrounding the Trans-Pacific Partnership negotiations also led to the bullish sentiment on Japan. The Nikkei gained 280.36 points, or +1.58% (day-on-day), to close yesterday's trading at the 18,005.49 level. Chinese markets remained closed for the Golden Week holiday.

Key Indicators

EQUITIES BENCHMARK INDICES	5-Oct-15	DoD change	WoW change	MoM change	Ytd change
Philippine Stock Exchange Index	6,961.93	1.62%	2.15%	-1.27%	-3.72%
MSCI World USD Index	1,637.49	1.89%	4.96%	2.62%	-5.44%
MSCI All Country Asia Pacific ex-Japan Total Returns	345.22	1.81%	3.34%	4.67%	-11.22%
MSCI Europe USD Index	1,543.67	2.50%	5.14%	2.33%	-5.18%
FTSEurofirst 300 Index	1,412.97	3.01%	5.12%	1.46%	2.62%
Dow Jones Industrial Average Index	16,776.43	1.85%	4.84%	4.19%	-7.00%
Standard & Poor's 500 Index	1,987.05	1.83%	5.59%	3.43%	-4.95%
YIELDS AND PRICES	5-Oct-15	DoD change	WoW change	MoM change	Ytd change
91-Day Philippine Treasury Bill Yield (PDST-F)	2.2714	0.00%	0.00%	0.00%	-0.27%
1-Year Philippine Treasury Bill Yield (PDST-F)	2.6886	0.00%	0.00%	0.00%	-0.01%
ROP2021 (Price)	108.982	0.50	0.93	1.04	0.73
ROP2034 (Price)	132.357	1.01	0.04	(0.59)	(1.52)
3-Month US Treasury Yield	-0.0102	-0.01%	-0.01%	-0.04%	-0.01%
2-year US Treasury Yield	0.6052	0.03%	-0.06%	-0.10%	-0.10%
10-year US Treasury Yield	2.0562	0.06%	-0.04%	-0.07%	-0.15%
30-year US Treasury Yield	2.8969	0.07%	0.02%	0.01%	0.12%
3-Month German Treasury Bill Yield	-0.368	0.00%	0.01%	-0.05%	-0.18%
Dubai Crude Oil Spot (\$/bbl)	46.70	2.19%	6.18%	-4.13%	-17.07%
1-month Nymex oil futures (\$/bbl)	46.26	1.58%	4.12%	0.46%	-13.71%
Gold Spot (\$/oz)	1,135.65	-0.28%	0.33%	1.09%	-4.03%
USD/PHP (PDEX close)	46.480	(0.29)	(0.31)	(0.25)	1.76

Source: Bloomberg

Asian Equity Markets

Asia Pacific Markets					
Last Trade as of October 5, 2015					
Country	Index	Value	DoD Change	% Change	
Asia Pacific	MSCI AC Asia Pacific Index	127.90	+ 1.53	+ 1.21	
Australia	S&P/ASX 200 Index	5,150.53	+ 98.52	+ 1.95	
China	Shanghai SE Comp Index	3,052.78	0.00	0.00	
Hong Kong	Hang Seng Index	21,854.50	+ 348.41	+ 1.62	
India	SENSEX	26,785.55	+ 564.60	+ 2.15	
Indonesia	Jakarta Composite Index	4,343.70	+ 135.90	+ 3.23	
Japan	Nikkei 225	18,005.49	+ 280.36	+ 1.58	
Malaysia	KLCI	1,647.59	+ 18.79	+ 1.15	
New Zealand	NZX 50 Index	5,630.54	+ 37.03	+ 0.66	
Singapore	Straits Times Index	2,851.25	+ 58.10	+ 2.08	
South Korea	KOSPI	1,978.25	+ 8.57	+ 0.44	
Taiwan	TWSE	8,352.36	+ 47.33	+ 0.57	
Thailand	SET Index	1,363.17	+ 16.82	+ 1.25	

Local Bond Market

Peso Interest Rates (PDEX PDST-R2)								
	5-Oct-15	2-Oct-15	Difference		5-Oct-15	2-Oct-15	Difference	
1 month	1.2966	1.6767	- 0.380	4 year	3.7683	3.7267	+ 0.042	
3 month	1.4910	1.6833	- 0.192	5 year	3.4861	3.4893	- 0.003	
6 month	1.5070	1.8017	- 0.295	7 year	4.2430	4.1900	+ 0.053	
1 year	2.6263	2.5100	+ 0.116	10 year	3.7333	3.7676	- 0.034	
2 year	3.3933	3.3600	+ 0.033	20 year	5.2067	5.1633	+ 0.043	
3 year	3.1101	3.1226	- 0.012					

Upcoming Economic Releases

Date	Philippines	Period Covered	Date	US	Period Covered
10/6/2015	Philippines CPI All items YoY% 2006=100	Sep	10/6/2015	US Trade Balance of Goods and Services SA	Aug
10/6/2015	Philippines CPI All items MoM% 2006=100	Sep	10/7/2015	MBA US US Mortgage Market Index Weekly % Change SA Old Meth	Oct 2
10/6/2015	Philippines Core Inflation YoY 2006=100	Sep	10/8/2015	US Initial Jobless Claims SA	Oct 3
10/7/2015	Philippines Gross Intl Reserves	Sep	10/9/2015	US Import Price Index by End Use All MoM NSA	Sep
10/9/2015	Philippines External Trade Exports YoY	Aug	10/9/2015	Merchant Wholesalers Inventories Total Monthly % Change	Aug
10/9/2015	Philippines External Trade Exports	Aug	10/14/2015	Adjusted Retail & Food Services Sales SA Total Monthly % Change	Sep
10/15/2015	Philippines Overseas Filipino Workers Remittances YoY	Aug	10/15/2015	US CPI Urban Consumers MoM SA	Sep
10/15/2015	Philippines Overseas Filipino Workers Remittances	Aug	10/15/2015	US Empire State Manufacturing Survey General Business Conditions SA	Oct
			10/16/2015	US Industrial Production MOM SA	Sep
			10/16/2015	University of Michigan Consumer Sentiment Index	Oct P

Sources: BPI, Business World, PDI, Phil Star, Manila Bulletin, Reuters, Briefing, Bloomberg, CNN, Dow Jones