

## Local

- The local equities market rose after the Fed released its September minutes indicating a delay on rate hike. The PSEi gained 32.12 points, or 0.45%, to close at 7,138.91. Most sectors ended in green led by property (2.04%) while only services (-0.96%) ended in red. Market breadth was positive with 108 advances outnumbering 76 declines, while 35 issues remained unchanged. Value turnover reached Php6.51 billion. Foreign investors were net buyers at Php7.31 million.
- Data from the Department of Tourism showed that foreign tourist arrivals in the country reached 3.59 million during the first eight months of the year, 9.87% higher than the 3.27 million visitors recorded in the same period last year. Most of the tourists came from Asia (355,255 visitors), contributing 69.74% of the total arrivals. Americans (59,747) and Europeans (38,135) followed with 12.43% and 7.93% of the total. Inbound tourists also rose 18.41%, the highest growth recorded for the year. DOT is targeting about five million tourists by the end of 2015 and 10 million by 2016.
- Bloomberry Resorts Inc. (PSE ticker: BLOOM) received a notice of award from the NHA for a 15,676 sqm property in Vertis North at a cost of Php1.98 billion. The property is part of NHA's share in its joint venture with Ayala Land, Inc. BLOOM plans to turn the property into a mixed-use development, consistent with the master plan for Vestis North. However, the design was said to be still in the works.
- On the local fixed income space, bond prices rose on risk on sentiment following the release of Fed's minute showing a delay in Fed rate hike. Yields fell by an average of 2.17 basis points as short- and long-end of the curve declined by 7.0 and 1.0 basis point, respectively. On the other hand, the belly climbed by 0.9 basis point.
- The Peso appreciated, along with its peers, against the greenback after the Fed's September minutes suggest that the rate hike will not likely to happen until next year. The USD/PHP pair fell by 24 centavos or 0.5232% to end the week at 45.870.

## US and Europe

- US equities ended Friday higher as investor appetite for risk assets once again took precedence amid a rise in crude oil prices. On a similar note, stocks of major world markets likewise posted the biggest weekly advance since 2011. The Dow Jones Industrial Average index rose 33.74 points, or +0.20%, to 17,084.49, and the S&P500 index climbed 1.46 points, or 0.07%, to 2,014.89
- US import prices declined by just 0.1% in September while import prices, excluding oil, fell 0.2%. This was half the pace of declines in July and August, and less than analysts had forecasted. Data also showed that the price of imported consumer goods other than cars actually went up in September, the first increase since February.
- According to the Commerce Department, wholesale inventories inched higher by 0.1% in August, following a revised 0.3% drop in July. The modest rise in inventories matched economist estimates. Moreover, inventories of durable goods rose 0.3%, partly due to a jump in inventories of computers, peripheral equipment and software.
- US Treasury yields slightly declined, led by longer-tenored securities, as several Federal Reserve officials hinted that an interest rate increase within the year was still on the table. The 2-year treasury yield remained flat at 0.6370%, while 10-year yield decline by 2 basis points to end at 2.0881%.
- European stocks continued their longest winning streak since the start of the second half of the year as investors remained hopeful that interest rates will be unchanged for longer. The FTSEurofirst 300 index gained 0.36% to close at the 1,432.67 level.
- The US Dollar traded sideways with a slight downward bias relative to the Euro yesterday as recently released minutes of the September FOMC meeting showed less confidence and more caution with regard to a rate hike within 2015. Also, European equity bourses like the Euro Stoxx and DAX rallied strongly late last week in a promising start to Q3 earnings season. The EUR/USD pair rose 0.64 US cents, or 0.57%, to close yesterday's trading at the 1.1358 level.

## Asia Pacific

- The Japanese Nikkei rallied late last week on the implications of a weaker USD as global markets price in no Fed lift-off in FY'15E and a rebound in commodities and related products such as steel. The Chinese CSI 300, meanwhile, likewise rallied on indications that up to 60% of listed companies, especially those considered "green investments", would show profitability in the 3rd quarter. The Nikkei gained 297.50 points, or +1.64% (day-on-day), to close last Friday's trading at the 18,438.67 level while the CSI 300 rallied 43.63 points (+1.32%) to close at 3,340.12.

## Key Indicators

October 12, 2015

<b>EQUITIES BENCHMARK INDICES</b>	<b>9-Oct-15</b>	<b>DoD change</b>	<b>WoW change</b>	<b>MoM change</b>	<b>Ytd change</b>
Philippine Stock Exchange Index	7,138.91	0.45%	4.21%	2.83%	-1.27%
MSCI World USD Index	1,673.77	0.61%	4.15%	2.80%	-3.35%
MSCI All Country Asia Pacific ex-Japan Total Returns	361.15	1.43%	6.51%	4.91%	-7.13%
MSCI Europe USD Index	1,586.80	1.09%	5.37%	1.61%	-2.53%
FTSEurofirst 300 Index	1,432.67	0.36%	4.44%	-0.20%	4.05%
Dow Jones Industrial Average Index	17,084.49	0.20%	3.72%	5.11%	-5.29%
Standard & Poor's 500 Index	2,014.89	0.07%	3.26%	3.75%	-3.62%
<b>YIELDS AND PRICES</b>	<b>9-Oct-15</b>	<b>DoD change</b>	<b>WoW change</b>	<b>MoM change</b>	<b>Ytd change</b>
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)	108.825	(0.03)	0.34	0.83	0.58
ROP2034 (Price)	132.989	0.50	1.64	(0.12)	(0.88)
3-Month US Treasury Yield	0.0000	0.00%	0.01%	-0.03%	0.00%
2-year US Treasury Yield	0.6370	0.00%	0.06%	-0.10%	-0.07%
10-year US Treasury Yield	2.0881	-0.02%	0.10%	-0.11%	-0.11%
30-year US Treasury Yield	2.9174	-0.02%	0.09%	-0.04%	0.14%
3-Month German Treasury Bill Yield	-0.350	0.01%	0.02%	-0.01%	-0.16%
Dubai Crude Oil Spot (\$/bbl)	51.07	3.42%	11.75%	6.44%	-9.31%
1-month Nymex oil futures (\$/bbl)	49.63	0.40%	8.98%	12.41%	-7.42%
Gold Spot (\$/oz)	1,157.28	1.60%	1.62%	4.46%	-2.20%
USD/PHP (PDEX close)	45.870	(0.24)	(0.90)	(0.98)	1.15

Source: Bloomberg

## Asian Equity Markets

<b>Asia Pacific Markets</b>						
		Last Trade as of		October 9, 2015		
Country	Index	Value	DoD Change	% Change		
Asia Pacific	MSCI AC Asia Pacific Index	133.33	+	2.16	+	1.65
Australia	S&P/ASX 200 Index	5,279.69	+	69.29	+	1.33
China	Shanghai SE Comp Index	3,183.15	+	39.80	+	1.27
Hong Kong	Hang Seng Index	22,458.80	+	103.89	+	0.46
India	SENSEX	27,079.51	+	233.70	+	0.87
Indonesia	Jakarta Composite Index	4,589.34	+	97.91	+	2.18
Japan	Nikkei 225	18,438.67	+	297.50	+	1.64
Malaysia	KLCI	1,706.54	+	14.34	+	0.85
New Zealand	NZX 50 Index	5,638.79	+	13.01	+	0.23
Singapore	Straits Times Index	2,998.50	+	51.47	+	1.75
South Korea	KOSPI	2,019.53		0.00		0.00
Taiwan	TWSE	8,445.96		0.00		0.00
Thailand	SET Index	1,411.33	+	19.18	+	1.38

## Local Bond Market

<b>Peso Interest Rates (PDEX PDST-R2)</b>							
	9-Oct-15	8-Oct-15	Difference		9-Oct-15	8-Oct-15	Difference
1 month	1.3650	1.7992	- 0.434	4 year	3.7523	3.7557	- 0.003
3 month	1.8025	1.3017	+ 0.501	5 year	3.4850	3.4850	0.000
6 month	1.5640	1.9192	- 0.355	7 year	4.2217	4.2367	- 0.015
1 year	2.3283	2.3183	+ 0.010	10 year	3.7258	3.7315	- 0.006
2 year	2.6500	2.5791	+ 0.071	20 year	5.1400	5.1633	- 0.023
3 year	3.1114	3.1170	- 0.006				

## Upcoming Economic Releases

Date	Philippines	Period Covered	Date	US	Period Covered
10/15/2015	Philippines Overseas Filipino Workers Remittances YoY	Aug	10/14/2015	MBA US US Mortgage Market Index Weekly % Change SA Old Meth	Oct 9
10/15/2015	Philippines Overseas Filipino Workers Remittances	Aug	10/14/2015	Adjusted Retail & Food Services Sales SA Total Monthly % Change	Sep
10/19/2015	Philippines BOP	Sep	10/15/2015	US Initial Jobless Claims SA	Oct 8
			10/15/2015	US CPI Urban Consumers MoM SA	Sep
			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
			10/20/2015	US New Privately Owned Housing Units Started by Structure Total SAAR	Sep
			10/22/2015	US Existing Homes Sales SAAR	Sep
			10/22/2015	Conference Board US Leading Index MoM	Sep

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