

Local

- The local equities market fell after the outcome of the Fed's October meeting revealed more hawkish statements from the members. The PSEi lost 100.01 points, or -1.37%, to close at 7,189.25 level. All indices ended in red, led by the property (-2.32%) and mining and oil (-1.66%). Market breadth was negative with 106 declines outnumbering 57 advances, while 48 issues remain unchanged. Total value turnover reached Php6.53 billion. Foreigners were net sellers at Php1.06 billion.
- In a disclosure, the Philippine Deposit Insurance Corp. (PDIC) said that total deposits grew by 9% to Php8.6 trillion during the first six months of the year. This growth is the highest ever recorded in the last 10 years. Moreover, the PDIC disclosed that 22.7% or Php1.95 trillion of the total deposits in the banking system is insured. The number of bank branches also increased to 10,334, 5.5% higher than last year's 9,793.
- BDO Leasing and Finance Inc., a unit of BDO Unibank Inc. (PSE ticker: BDO), reported a 2.4% growth in earnings during the first nine months of the year due to the robust growth in its loan and lease portfolio. Net income was reported at Php387 million, Php9 million higher than last year's Php378 million. The company said that it will continue to focus on growth areas and key provinces through the expansive network of its parent.
- On the local fixed income space, prices of local government securities fell, tracking the movement of US Treasuries as the post-FOMC meeting press release implied a more hawkish tone from the Federal Reserve. Yields climbed by an average of 4.03 bps, led by the belly and long-end of the curve which rose 15.6 and 0.1 bps, respectively.
- The Peso traded sideways with a downward bias vis-a-vis the US Dollar yesterday as market expectations of a no-hike outcome for the October FOMC meeting were confirmed. The hawkish post-meeting Fed commentary emphasized, in the clearest terms yet, the possibility of the first rate-hike in nearly a decade may be in December. The USD/PHP pair rose 14 centavos, or 2.99%, to close yesterday's trading at the 46.90 level.

US and Europe

- US equities fell last night as investors took profits following weaker-than-expected GDP growth data. The Dow Jones Industrial Average Index fell 23.72 points, or -0.13% to 17,755.80 and the S&P500 index dropped 0.94 of a point to 2,089.41.
- GDP in the US cooled in 3Q15 as growth rose by an annual pace of 1.5% for the three months ended September, compared to the 3.9% growth rate posted in the second quarter. The slowdown was mostly due to the biggest drawdown in inventories in three years. Companies likewise cut spending on structures such as oil platforms and commercial buildings. Meanwhile, consumer spending rose at a 3.2% YoY pace, lower than the gain posted in 2Q. Though the figure was not a bad result, the 3Q number almost ascertains that the US would fail to breach the 3% annual growth rate for the 10th consecutive year.
- US Treasury prices fell for a second day as market players continued to sell off bonds following the Fed's hawkish tone post the FOMC meeting.
- European equities ended the day with a negative amid a mixed bag of corporate earnings results. The FTSEurofirst300 index slipped 0.04% to 1,484.28.
- For the month of October, data analytics firm Markit's Eurozone Purchasing Managers' index rose to 54.0, coming from September's four-month low of 53.6. October's reading is slightly below the level recorded in August, but still signals one of the strongest monthly expansions seen over the past four years.
- The US Dollar traded sideways with a downward bias relative to the Euro yesterday as 3Q US GDP figures disappointed consensus expectations of 1.6% growth, YoY, with a 1.5% reading. The EUR/USD pair rose 0.10 US cents, or 0.09%, to close yesterday's trading at the 1.0987 level.

Asia Pacific

- Both the Nikkei and CSI 300 traded sideways with a slight upward slant on higher Japanese industrial output fueling hope for higher economic growth. In China, investors sat on the sidelines waiting for the official 5-year growth targets to be released. The Nikkei and CSI 300 rose by 32.69 points (+0.17%, day-on-day) and 8.39 points (+0.24%, day-on-day), respectively, to close yesterday at 18,935.71 and 3,533.31.

Key Indicators

EQUITIES BENCHMARK INDICES	29-Oct-15	DoD change	WoW change	MoM change	Ytd change
Philippine Stock Exchange Index	7,189.25	-1.37%	1.00%	4.81%	-0.57%
MSCI World USD Index	1,706.61	-0.44%	1.02%	10.07%	-1.45%
MSCI All Country Asia Pacific ex-Japan Total Returns	360.08	-1.44%	-1.01%	9.65%	-7.40%
MSCI Europe USD Index	1,584.34	-1.01%	-0.32%	8.49%	-2.68%
FTSEurofirst 300 Index	1,484.28	-0.04%	1.52%	11.07%	7.80%
Dow Jones Industrial Average Index	17,755.80	-0.13%	1.52%	10.63%	-1.57%
Standard & Poor's 500 Index	2,089.41	-0.04%	1.80%	10.90%	-0.06%
YIELDS AND PRICES	29-Oct-15	DoD change	WoW change	MoM change	Ytd change
91-Day Philippine Treasury Bill Yield (PDST-R2)	1.7699	-0.20%	-0.53%	0.08%	-0.61%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.1599	-0.03%	-0.37%	-0.27%	-0.27%
ROP2021 (Price)	109.251	(0.09)	(0.07)	1.88	1.00
ROP2034 (Price)	134.733	(0.33)	(0.23)	4.29	0.86
3-Month US Treasury Yield	0.0610	0.03%	0.06%	0.07%	0.06%
2-year US Treasury Yield	0.7236	0.02%	0.12%	0.08%	0.02%
10-year US Treasury Yield	2.1725	0.07%	0.15%	0.12%	-0.03%
30-year US Treasury Yield	2.9589	0.08%	0.10%	0.11%	0.19%
3-Month German Treasury Bill Yield	-0.355	0.03%	-0.01%	0.03%	-0.17%
Dubai Crude Oil Spot (\$/bbl)	45.31	3.09%	1.03%	3.07%	-19.53%
1-month Nymex oil futures (\$/bbl)	46.06	0.26%	1.50%	1.84%	-14.08%
Gold Spot (\$/oz)	1,145.95	-0.88%	-1.73%	1.64%	-3.16%
USD/PHP (PDEX close)	46.900	0.14	0.26	(0.03)	2.18

Source: Bloomberg

Asian Equity Markets

Asia Pacific Markets					
		Last Trade as of October 29, 2015			
Country	Index	Value	DoD Change	% Change	
Asia Pacific	MSCI AC Asia Pacific Index	133.89	- 1.42	- 1.05	
Australia	S&P/ASX 200 Index	5,266.86	- 68.37	- 1.28	
China	Shanghai SE Comp Index	3,387.32	+ 12.12	+ 0.36	
Hong Kong	Hang Seng Index	22,819.94	- 136.63	- 0.60	
India	SENSEX	26,838.14	- 201.62	- 0.75	
Indonesia	Jakarta Composite Index	4,472.02	- 136.72	- 2.97	
Japan	Nikkei 225	18,935.71	+ 32.69	+ 0.17	
Malaysia	KLCI	1,666.98	- 19.53	- 1.16	
New Zealand	NZX 50 Index	6,002.97	+ 3.99	+ 0.07	
Singapore	Straits Times Index	3,001.51	- 39.00	- 1.28	
South Korea	KOSPI	2,034.16	- 8.35	- 0.41	
Taiwan	TWSE	8,571.08	- 94.91	- 1.10	
Thailand	SET Index	1,390.04	- 19.22	- 1.36	

Local Bond Market

Peso Interest Rates (PDEX PDST-R2)							
	29-Oct-15	28-Oct-15	Difference		29-Oct-15	28-Oct-15	Difference
1 month	1.8351	2.0123	- 0.177	4 year	3.7167	3.7133	+ 0.003
3 month	1.7699	1.9743	- 0.204	5 year	3.5332	3.5041	+ 0.029
6 month	2.4083	2.2924	+ 0.116	7 year	4.1650	4.1533	+ 0.012
1 year	2.1599	2.1931	- 0.033	10 year	3.6771	3.6698	+ 0.007
2 year	3.4283	2.7263	+ 0.702	20 year	5.1417	5.1450	- 0.003
3 year	3.2083	3.1762	+ 0.032				

Upcoming Economic Releases

Date	Philippines	Period Covered	Date	US	Period Covered
10/30/2015	Philippines Commercial Banks Loans Outstanding Total Gross YoY	Sep	10/30/2015	US Personal Income MoM SA	Sep
10/30/2015	Philippines Commercial Banks Loan Outstanding Total Net YoY	Sep	10/30/2015	US Personal Consumption Expenditures Nominal Dollars MoM SA	Sep
11/4/2015	Philippines CPI All items YoY% 2006=100	Oct	10/30/2015	University of Michigan Consumer Sentiment Index	Oct F
11/4/2015	Philippines CPI All items MoM% 2006=100	Oct	11/2/2015	ISM Manufacturing PMI SA	Oct
11/4/2015	Philippines Core Inflation YoY 2006=100	Oct	11/3/2015	US Manufacturers New Orders Total MoM SA	Sep
11/6/2015	Philippines Gross Intl Reserves	Oct	11/4/2015	MBA US US Mortgage Market Index Weekly % Change SA Old Meth	Oct 30
			11/4/2015	US Trade Balance of Goods and Services SA	Sep
			11/5/2015	US Initial Jobless Claims SA	Oct 24
			11/6/2015	US Employees on Nonfarm Payrolls Total MoM Net Change SA	Oct
			11/6/2015	U-3 US Unemployment Rate Total in Labor Force Seasonally Adjusted	Oct

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