

## Local

- The local equities market fell, defying regional trends, on the back of mixed earnings. The PSEi fell by 30.18 points, or -0.42%, closing at 7,197.19. Most indices were red led by financials (-0.71%) and holding firms (-0.66%). Market breadth was neutral with 92 advances and 92 declines while 45 were unchanged. Total value turnover amounted to Php6.68 billion. Foreigners were net sellers at Php743.7 million.
- Globe Telecom Inc.'s (PSE ticker: GLO) profit was halved in Q3 from P5.43 billion recorded for the comparable three-month period of last year to P2.74 billion. The decrease was caused by the revenue declines of 2% in mobile business and 10% in the fixed-line voice segment. Despite Q3 profit decline, the company closed the first 9 months of 2016 with consolidated service revenues 7% higher than the P83.4 billion last year to P89.1 billion.
- D&L Industries' (PSE ticker: DNL) net income for the past nine months is at P1.93 billion, which is 16% higher compared to the same period as last year. Revenues also grew by 10% year-on-year on higher commodity prices and sales volume. Free cash for Q3 amounted to P787 million on the back of improved working capital cycle. The company's gross profit margin rose 0.8 ppt at 18.7% on improved mix. Lastly, the company continues to pay down debt resulting in lower borrowings in Q3.
- For local fixed income, prices of government securities corrected as the long-end rose on risk-off sentiments with investors looking ahead to the impact of the global political developments, especially the implications of the next US administration, on the Philippines. Yields rose by an average of 2.47 bps, pushed up by the long-end which rose 19.1 bps. Both the short-end and the belly declined by 2.8 bps and 3.3 bps, respectively.
- The Philippine peso weakened against the dollar as the nonfarm payroll report in the US came in just a little bit behind expectations, making the case for a December rate hike stronger, and as continuous outflow from the local equities market adds to the strain on the local currency. The peso lost 10.5 centavos or 0.22%, closing at the 48.585 level.

## US and Europe

- U.S. stocks rebounded to record their best day since March after the FBI announced that it found no new evidence to warrant charges against Presidential candidate Hillary Clinton. The Dow Jones Industrial Average jumped 371.32 points, or 2.1%, to 18,259.60 while the S&P 500 leapt 46.34 points, or 2.2%, to 2,131.52.
- Outstanding consumer credit (ex-mortgage debt) rose in September by USD19.29 billion versus August; this translates to a seasonally adjusted 6.28% annual growth rate, slower than August's upwardly revised 8.77% (from +8.48%). The increase was driven mainly by student and auto loans.
- The Federal Reserve's Labor Market Conditions Index rose to +0.7 (vs. mkt est: neg-1.5) from an upwardly revised neg-0.1% in September, the first positive print since July.
- US Treasuries retreated as some pockets of risk-taking brought investors to take some positions in riskier assets. The two-year yield rose to 0.818%, up 3.4 0bps and the 10-year added 4.99bps to 1.826%.
- European stocks recovered after Clinton seemed to gain ground in the polls. The FTSEurofirst 300 Index gained 1.7%, and closed at 1,318.38.
- The dollar claimed back some of its strength as some clarity on the issues gripping the political arena provided relief from the prevalent risk-off sentiments of the previous days. The EUR/USD pair gave up 0.64% and closed at 1.107.

## Asia Pacific

- Most regional indices rallied yesterday due to resumption of risk-on sentiment following perceived market-favorable developments in the US elections. The MSCI AC Asia Pacific Index added 0.48% with gainers led by Japan's Nikkei 225 (+1.61%) and Thailand's SET Index (+1.12%). Meanwhile, the PSEi (-0.42%) bucked the trend due to earnings disappointments.

## Key Indicators

EQUITIES BENCHMARK INDICES						
	7-Nov-16	DoD change	WoW change	MoM change	Ytd change	
Philippine Stock Exchange Index	7,197.19	-0.42%	-2.80%	-5.03%	3.53%	
MSCI World USD Index	1,685.62	1.54%	-0.31%	-1.56%	1.37%	
MSCI All Country Asia Pacific ex-Japan Total Returns	381.92	-0.37%	-1.67%	-4.15%	8.57%	
MSCI Europe USD Index	1,419.79	0.74%	-0.86%	-2.87%	-6.76%	
FTSEurofirst 300 Index	1,318.38	1.70%	-1.50%	-1.52%	-8.29%	
Dow Jones Industrial Average Index	18,259.60	2.08%	0.65%	0.10%	4.79%	
Standard & Poor's 500 Index	2,131.52	2.22%	0.25%	-1.03%	4.28%	
YIELDS AND PRICES						
	7-Nov-16	DoD change	WoW change	MoM change	Ytd change	
91-Day Philippine Treasury Bill Yield (PDST-R2)	1.4068	-0.03%	-0.15%	-0.16%	-1.26%	
1-Year Philippine Treasury Bill Yield (PDST-R2)	1.7786	-0.02%	-0.01%	0.43%	-0.59%	
ROP2021 (Price)	107.796	(0.00)	(0.24)	(0.52)	(0.56)	
ROP2034 (Price)	138.695	0.08	(0.44)	(4.31)	8.23	
3-Month US Treasury Yield	0.4020	0.04%	0.10%	0.09%	0.24%	
2-year US Treasury Yield	0.8178	0.03%	-0.02%	-0.01%	-0.23%	
10-year US Treasury Yield	1.8261	0.05%	0.00%	0.11%	-0.44%	
30-year US Treasury Yield	2.6021	0.04%	0.02%	0.15%	-0.41%	
3-Month German Treasury Bill Yield	-0.862	0.02%	-0.01%	-0.04%	-0.32%	
Dubai Crude Oil Spot (\$/bbl)	42.83	-0.33%	-6.55%	-13.18%	33.30%	
1-month Nymex oil futures (\$/bbl)	44.89	1.86%	-4.20%	-9.88%	21.19%	
Gold Spot (\$/oz)	1,281.65	-1.76%	0.34%	1.97%	20.75%	
USD/PHP (PDEX close)	48.585	0.11	0.18	0.28	1.53	

Source: Bloomberg

## Asian Equity Markets

Asia Pacific Markets					
Last Trade as of		November 7, 2016			
Country	Index	Value	DoD Change	% Change	
Asia Pacific	MSCI AC Asia Pacific Index	137.37	+	0.65	+ 0.48
Australia	S&P/ASX 200 Index	5,250.80	+	69.98	+ 1.35
China	Shanghai SE Comp Index	3,133.33	+	8.01	+ 0.26
Hong Kong	Hang Seng Index	22,801.40	+	158.78	+ 0.70
India	SENSEX	27,458.99	+	184.84	+ 0.68
Indonesia	Jakarta Composite Index	5,386.21	+	23.55	+ 0.44
Japan	Nikkei 225	17,177.21	+	271.85	+ 1.61
Malaysia	KLCI	1,650.59	+	2.35	+ 0.14
New Zealand	NZX 50 Index	6,872.27	+	163.80	+ 2.44
Singapore	Straits Times Index	2,800.95	+	12.15	+ 0.44
South Korea	KOSPI	1,997.58	+	15.56	+ 0.79
Taiwan	TWSE	9,189.84	+	121.69	+ 1.34
Thailand	SET Index	1,502.27	+	16.57	+ 1.12

## Local Bond Market

Peso Interest Rates (PDEX PDST-R2)									
	4-Nov-16	3-Nov-16	Difference			4-Nov-16	3-Nov-16	Difference	
1 month	1.4014	1.3786	+	0.023	4 year	3.3104	3.5982	-	0.288
3 month	1.4339	1.4164	+	0.018	5 year	3.9536	3.9393	+	0.014
6 month	1.5714	1.5321	+	0.039	7 year	3.9548	4.5518	-	0.597
1 year	1.7982	1.9061	-	0.108	10 year	3.9906	4.5839	-	0.593
2 year	3.1982	3.1732	+	0.025	20 year	4.8607	4.8196	+	0.041
3 year	3.7039	3.6500	+	0.054					

## Upcoming Economic Releases

Date	Philippines	Period Covered	Date	US	Period Covered
11/7/2016	Philippines Budget Balance Monthly	Sep	11/9/2016	MBA US US Mortgage Market Index Weekly % Change SA Old Meth	Nov 4
11/10/2016	Central Bank of Philippines Overnight Reverse Repurchase Agreement RRP Rate	Nov 10	11/10/2016	US Initial Jobless Claims SA	Nov 5
11/10/2016	Philippines External Balance of Trade	Sep	11/11/2016	University of Michigan Consumer Sentiment Index	Nov P
11/10/2016	Philippines External Trade Imports YoY	Sep	11/15/2016	Adjusted Retail & Food Services Sales SA Total Monthly % Change	Oct
11/15/2016	Philippines Overseas Filipino Workers Remittances YoY	Sep	11/16/2016	US PPI Finished Goods SA MoM%	Oct
11/15/2016	Philippines Overseas Filipino Workers Remittances	Sep	11/16/2016	US PPI Finished Goods Less Foods & Energy SA MoM%	Oct
11/17/2016	Philippines GDP Constant 2000 Prices YoY	3Q	11/16/2016	US PPI Finished Goods NSA YoY%	Oct
11/18/2016	Philippines BOP	Oct	11/16/2016	US PPI Finished Goods Less Foods & Energy NSA YoY%	Oct
			11/17/2016	US CPI Urban Consumers MoM SA	Oct
			11/17/2016	US New Privately Owned Housing Units Started by Structure Total SAAR	Oct

Sources: BPI, Business World, PDI, Phil Star, Manila Bulletin, Reuters, Briefing, Bloomberg, CNN, Dow Jones, The Wall Street Journal, CNBC