

## Local

- The local equities market increased on the back of window-dressing activities. The PSEi went up by 16.47 points or +0.24%, closing at 6,889.78. Except for properties (+2.28%), the rest of the sectors ended in red led by mining & oil (-1.49%) and industrials (-0.42%). Market breadth was mostly mixed with 94 advances and 90 declines, while 47 remained unchanged. Total value turnover was at Php4.84 billion. Foreigners were net sellers at Php217.35 billion.
- Proposal to end abusive practices such as the end-of-contract (endo) scheme includes principal companies can still hire through agencies or service providers. These agencies will then be mandated to provide benefits such as retirement and separation packages. In addition, the deployment of the workers should not be co-terminus with the contract between the agency and the principal company to ensure security of tenure. Department of Trade and Industry Secretary said there is a need to implement a solution that will end the abusive practices of contractualization such as the end-of-contract (endo) scheme but will not scare away investors. He said that according to his talks with at least three companies, banning contractualization may result in investors pulling out of the country or halting expansion plans.
- The two telecommunications company of the Philippines (PLDT and Globe Telecom) agreed to reduce charges for domestic voice calls between their networks which apparently was the highest rate in Asia. Rates will be cut by up to 38% which means that the interconnection rate for a Globe subscriber calling a PLDT subscriber, which includes Smart, Sun and TNT brands will be fixed at P2.50 per minute. The lower charges will be effective by January 1, 2017. According to National Telecommunications Commission (NTC), decreasing the fee rate would position us to be at par with most of the countries in the region with interconnection rates of around Php2.25 to Php2.50 per minute. Both companies are expecting this agreement to benefit the rest of the Filipinos and at the same time hoping to increase their revenues further as smart phones became more affordable.
- Prices of local fixed income securities improved on bargain hunting. Yields fell by an average of 9.68 bps, led by the belly of the curve (-23.9 bps) followed closely by the short-end (-8.6 bps).
- The Philippine peso strengthened as market players moved ahead of next week's OPEC meeting. The local currency closed at 49.840.

## US and Europe

- U.S. equities slipped on Monday as financials lagged, and as investors kept an eye on surging oil prices ahead of the key OPEC meeting later this week. The post-election rally took a breather, with the Dow Jones Industrial Average falling 54.24 points, or -0.28%, to 19,097.90, and the S&P 500 losing 11.63 points to 2,201.72.
- The Dallas Fed manufacturing survey jumped to 8.8 in November from 6.7 in October.
- Italy's consumer confidence index hit a 16-month low in November, falling further to 107.9 (vs. mkt. est: 107.6) from 108.0 in October, which marks its lowest level since July 2015. Manufacturing confidence and economic sentiment also dipped to 102.0 and 101.4 from 102.9 and 101.7 last month.
- European stocks slipped, as Italian lenders hit their lowest point since end-September on continued worries over a cash call at Monte dei Paschi. The FTSEurofirst 300 Index ended at 1,340.14, down 0.85%.
- U.S. Treasuries improved on Monday amid the latest OECD global growth report, window-dressing activities and ahead of the OPEC meeting. The OECD lifted global growth forecasts on expected Trump stimulus. The two-year note yield fell to 1.099% (-1.78 bps), while the benchmark 10-year yield traded lower at 2.312% (-4.48 bps).
- The EUR/USD edged higher amid falling yields and increasing risk aversion prompted by speculation that the OPEC won't be able to achieve an oil-production cap deal. The EUR/USD closed at 1.0632.

## Asia Pacific

- Asian equity indices ended mixed, but generally inching up, given the increase in oil prices (+2.12% for Brent) as investors continue to price in a potential cut in oil production during the OPEC meeting this week. The gainers were led by Taiwan's TWSE, which rose 0.69% day-on-day. As such, MSCI AC Asia Pacific Index gained 0.66% to reach 136.62.

## Key Indicators

EQUITIES BENCHMARK INDICES	28-Nov-16	DoD change	WoW change	MoM change	Ytd change
Philippine Stock Exchange Index	6,825.40	-0.93%	-2.20%	-7.82%	-1.82%
MSCI World USD Index	1,712.98	-0.46%	0.15%	1.30%	3.02%
MSCI All Country Asia Pacific ex-Japan Total Returns	378.64	0.61%	1.89%	-2.42%	7.64%
MSCI Europe USD Index	1,386.31	-0.98%	-0.47%	-3.45%	-8.95%
FTSEurofirst 300 Index	1,340.14	-0.85%	-0.17%	-0.43%	-6.77%
Dow Jones Industrial Average Index	19,097.90	-0.28%	0.74%	5.16%	9.60%
Standard & Poor's 500 Index	2,201.72	-0.53%	0.16%	3.54%	7.72%
YIELDS AND PRICES	28-Nov-16	DoD change	WoW change	MoM change	Ytd change
91-Day Philippine Treasury Bill Yield (PDST-R2)	1.7214	0.03%	-0.08%	0.16%	-0.95%
1-Year Philippine Treasury Bill Yield (PDST-R2)	3.7054	-0.01%	0.04%	1.92%	1.33%
ROP2021 (Price)	106.782	0.05	0.02	(1.27)	(1.58)
ROP2034 (Price)	131.273	0.50	0.43	(7.93)	0.81
3-Month US Treasury Yield	0.4618	-0.03%	0.03%	0.18%	0.30%
2-year US Treasury Yield	1.0990	-0.02%	0.03%	0.25%	0.05%
10-year US Treasury Yield	2.3124	-0.04%	-0.00%	0.47%	0.04%
30-year US Treasury Yield	2.9755	-0.03%	-0.02%	0.36%	-0.04%
3-Month German Treasury Bill Yield	-0.806	-0.01%	-0.03%	0.07%	-0.27%
Dubai Crude Oil Spot (\$/bbl)	43.76	-3.10%	-0.02%	-6.26%	36.20%
1-month Nymex oil futures (\$/bbl)	47.08	2.21%	-0.86%	-3.33%	27.11%
Gold Spot (\$/oz)	1,193.99	0.85%	-1.67%	-6.39%	12.49%
USD/PHP (PDEX close)	49.710	(0.13)	(0.12)	1.31	2.65

Source: Bloomberg

## Asian Equity Markets

Asia Pacific Markets						
Last Trade as of		November 28, 2016				
Country	Index	Value	DoD Change	% Change		
Asia Pacific	MSCI AC Asia Pacific Index	136.62	+	0.89	+	0.66
Australia	S&P/ASX 200 Index	5,464.40	-	43.39	-	0.79
China	Shanghai SE Comp Index	3,277.00	+	15.06	+	0.46
Hong Kong	Hang Seng Index	22,830.57	+	107.12	+	0.47
India	SENSEX	26,350.17	+	33.83	+	0.13
Indonesia	Jakarta Composite Index	5,114.57	-	7.53	-	0.15
Japan	Nikkei 225	18,356.89	-	24.33	-	0.13
Malaysia	KLCI	1,628.66	+	1.40	+	0.09
New Zealand	NZX 50 Index	6,902.96	+	3.35	+	0.05
Singapore	Straits Times Index	2,874.65	+	15.32	+	0.54
South Korea	KOSPI	1,978.13	+	3.67	+	0.19
Taiwan	TWSE	9,222.24	+	63.17	+	0.69
Thailand	SET Index	1,500.78	+	0.38	+	0.03

## Local Bond Market

Peso Interest Rates (PDEX PDST-R2)							
	28-Nov-16	25-Nov-16	Difference		28-Nov-16	25-Nov-16	Difference
1 month	1.6854	1.6579	+ 0.027	4 year	4.1606	4.2016	- 0.041
3 month	1.7214	1.6875	+ 0.034	5 year	4.9732	4.9946	- 0.021
6 month	1.8379	1.8196	+ 0.018	7 year	4.5914	4.3666	+ 0.225
1 year	3.7054	3.7179	- 0.013	10 year	5.2125	4.8554	+ 0.357
2 year	4.2304	3.6698	+ 0.561	20 year	5.6446	5.6018	+ 0.043
3 year	3.8945	3.9190	- 0.025				

## Upcoming Economic Releases

Date	Philippines	Period Covered	Date	US	Period Covered
11/29/2016	Philippines Commercial Banks Loans Outstanding Total Gross YoY	Oct	11/29/2016	GDP US Chained 2009 Dollars QoQ SAAR	3Q S
11/29/2016	Philippines Commercial Banks Loan Outstanding Total Net YoY	Oct	11/29/2016	Conference Board Consumer Confidence SA 1985=100	Nov
12/6/2016	Philippines CPI All items YoY% 2006=100	Nov	11/30/2016	MBA US US Mortgage Market Index Weekly % Change SA Old Meth	Nov 25
12/6/2016	Philippines CPI All items MoM% 2006=100	Nov	12/1/2016	US Initial Jobless Claims SA	Nov 26
12/7/2016	Philippines Gross Intl Reserves	Nov	12/1/2016	ISM Manufacturing PMI SA	Nov
12/9/2016	Philippines External Balance of Trade	Oct	12/2/2016	US Employees on Nonfarm Payrolls Total MoM Net Change SA	Nov
12/9/2016	Philippines External Trade Imports YoY	Oct	12/2/2016	U-3 US Unemployment Rate Total in Labor Force Seasonally Adjusted	Nov
12/9/2016	Philippines External Trade Exports	Oct	12/6/2016	US Durable Goods New Orders Industries MoM SA	Oct F
			12/6/2016	US Manufacturers New Orders Total MoM SA	Oct

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