

Daily Matters

January 17, 2017

MARKET INDICATORS

As of January 16, 2017

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,238.45	-0.07	0.00%
Dow Jones	19,885.73	-5.27	-0.03%
S&P500	2,274.64	4.2	0.18%
Nasdaq	5,574.12	26.63	0.48%
MSCI Asia ex-Japan	532.98	-4.29	-0.80%
MSCI Emerging Market	889.11	-6.87	-0.77%
5Yr FXTN	4	53 bps	
10 Yr US Treasury	2.4		
USD/PHP	50.02	0.32	0.65%

Source: Bloomberg

NEWS IN THE PHILIPPINES

IMF sees 2017 PHL growth on target

- The International Monetary Fund (IMF) is expecting the country to remain among Asia's growth leaders in 2017 in the back of the increased public spending and also on the recovery in exports. IMF country representative Shanaka Jayanath Peiris confirmed that they have increased Philippines GDP forecast to 6.8% from the 6.7% expected last Sept 2016.
- According to IMF, The Philippines is expected to maintain its strong GDP growth momentum at a pace about 6.8%, supported by a fiscal stimulus as the budget deficit widens towards the 3% of GDP target.

Local Bond Market

- The yield of the benchmark 5-year bond closed on a huge 53 bps at 4% flat.
- The yields of bonds were mostly fell with 6 yields falling and only 4 yields rising.

Philippine Stocks

- The Philippine stocks failed to break on the negative state after yesterday's trade due to the ongoing issue of the United Kingdom's exit to the European Union (EU) which started a sell-off in markets across the region. The Philippine Stock Exchange index (PSEi) closed at 7,238.45, just 0.07 point below its 7,238.52 finish last Friday. Another reason of the stocks

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ending on a flat note is also due to investors taking into account the retail sales report from the US and the annual exports data from China last Friday.

Philippine Peso

- The peso slipped against the dollar as markets were very much cautious ahead of US President-elect Donald J. Trump's inauguration and due to investor fears over a "hard Brexit." The local peso closed at Php 50.02.

NEWS AROUND THE WORLD

Indonesia exports, imports rise for 3rd month in Dec

- Indonesia's Statistics Agency (BPS) said that the country's exports and imports rose on an annual basis for a 3rd straight month in December. Exports grew 15.57% from a year earlier to \$13.77 billion, while imports rose 5.82% on an annual basis to \$12.78 billion.
- The better-than-expected exports of Indonesia were particularly attributed to the strengthening of commodity prices. This ended on a result the trade balance of Indonesia that showed a surplus of USD \$990 million in December 2016, higher than the USD \$830 million surplus recorded in the preceding month.

US Stock Market

- Markets ended mostly the positive territory on the back of financial sector's encouraging earnings results. U.S. stock futures improved as investors shied away from global equities in favor of perceived safe-haven assets such as gold and the Japanese yen and fresh concerns over Brexit hit the pound. (Dow Jones 19,885.73 -0.03%; NASDAQ 5,574.12 0.48%; S&P 500 2,274.64 0.18%)

Asian Stocks

- Asian stocks slumped on Tuesday as investors waited for British Prime Minister Theresa May to lay out the plans to exit the European Union, which traders fear will see Britain lose access to the bloc's single market. The MSCI Asia-Ex Japan Index fell -0.80% or -4.29 points to close at 532.98.

Emerging Markets

- Emerging market stocks posted its biggest daily fall and currencies broadly weakened with Turkey's lira falling once again as investors showed nerves ahead of President-elect Donald Trump's inauguration. The MSCI Emerging Markets Index slid -0.77% or -6.87 points to close at 889.11.

Sources: Bloomberg, Briefing.com, Business World, CNN, Inquirer, PhilStar, Reuters, WSJ

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