

Daily Matters

March 2, 2017

MARKET INDICATORS

As of March 1, 2017

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,170.70	-41.39	-0.57%
Dow Jones	21,115.55	303.31	1.46%
S&P 500	2,395.96	32.32	1.37%
NASDAQ	5,904.03	78.59	1.40%
MSCI Asia ex-Japan	564.65	0.31	0.05%
MSCI Emerging Market	938.47	2.10	0.22%
5 Yr FXTN	3.99	2 bps	
10 Yr US Treasury	2.45	6 bps	
USD/PHP	50.30	0.03	0.0

Source: Bloomberg

NEWS IN THE PHILIPPINES

PH Factories capped 4-month growth slowdown in February

- According to an IHS Markit monthly survey conducted for Nikkei, Inc., the Philippines manufacturing sector gained momentum in February showing a 53.6 Purchasing Manager's Index (PMI) rating. After marking a slowdown at the start of 2017 (52.7), February's survey put the country back on track as it signaled another solid improvement in the health of the sector. Greater client demand and high business optimism saw Filipino factories continue to build stocks at a time when new orders were rising at a faster rate than production volumes.

Local Bond Market

- The yield of the benchmark 5-year bond fell by 2 bps and closed at 3.99.
- The local fixed income securities had a negative reaction day-on-day, as markets reacted to President Donald J. Trump's address to Congress. 7 yields were negative while 1 was positive and 2 remained stagnant.

The content on this material is provided for information purposes only and should not be considered as investment advice. This document is not a solicitation or an offer to buy or sell any securities or related financial products. While this document was prepared with reasonable care, no guarantee is given as to the accuracy and completeness of the information herein. Information and/or views contained herein are for information only and based on data that ATR Asset Management (ATRAM) has researched. However, ATRAM does not represent that the information and/or views are accurate or complete, and these should not be relied upon as such. Any person receiving this document must make his/her own investigation and satisfy him-/herself as to the accuracy and completeness of the information and/or views. Any information or opinion expressed in this document is subject to change without prior notice. This document may not be reproduced or distributed without written consent from ATR Asset Management.

Philippine Stocks

- Local equities continued to close in the red once again during Wednesday's session as President Trump's first major address disappointed investors following the lack of detail about his economic plans. The PSEi closed at 7,170.70 on Tuesday dropping 41.39 points or 0.57%.

Philippine Peso

- The peso slipped against the dollar after Wednesday's session closing at 50.30, the weakest finish in over a decade. The slip was triggered by President Trump's speech as well as hawkish comments by the Fed in regards to a rate hike possibly happening this month.

NEWS AROUND THE WORLD

US Manufacturing PMI slips, China's rises

- According to figures released yesterday, US Manufacturing activity eased in February. Markit's manufacturing PMI fell to 54.2 from January's 22-month peak of 54.3. The slowdown in the index is said to be attributed to a moderation in new order growth and slightly softer rise in output volumes. Furthermore, manufacturers cited a rise in inventory levels which create greater production schedules and expected improvements on demand.
- China's manufacturing sector beat expectations in February rising to a three-month high of 51.6 compared to January's 51.3. Analysts all over the world predicted an average reading of 51.1, explaining that China's industrial firms continued to benefit from higher sales prices and a recovery in demand fueled by a construction boom that usually leads to moderate expansion.

US Stock Market

- US stocks jumped during Wednesday's session as Banks and other financial companies led the jump amid heightened expectations that an improving economy will lead to higher interest rates. President Trump's policies also helped the US market as he reaffirmed plans to cut taxes and push for other business-friendly policies. The Nasdaq Composite Index closed at 5,904.03 which was 78.59 points or 1.40% higher than Monday's session. The Dow Jones Industrial Average rose as well, beating 21,000 for the first time ever. It closed at 21,115.55 or 1.46% which is 303.31 points higher. Meanwhile the Standard & Poor's 500 Index gained 32.32 points or 1.37% to end at a close of 2,395.96.

Asian Stocks

- Asian equity indices closed mostly higher after President Trump's address. The MSCI Asia-Ex Japan Index fell 0.05% or 0.31 points to close at 564.65.

The content on this material is provided for information purposes only and should not be considered as investment advice. This document is not a solicitation or an offer to buy or sell any securities or related financial products. While this document was prepared with reasonable care, no guarantee is given as to the accuracy and completeness of the information herein. Information and/or views contained herein are for information only and based on data that ATR Asset Management (ATRAM) has researched. However, ATRAM does not represent that the information and/or views are accurate or complete, and these should not be relied upon as such. Any person receiving this document must make his/her own investigation and satisfy him-/herself as to the accuracy and completeness of the information and/or views. Any information or opinion expressed in this document is subject to change without prior notice. This document may not be reproduced or distributed without written consent from ATR Asset Management.

Emerging Markets

- Emerging market equities fell slightly after a President Trump's disappointing address as well as host of negative economic releases. The MSCI Emerging Markets Index fell 0.22% or 2.10 points, closing at 938.47.

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

Prepared by:

ATR Asset Management

Tel: +63 (2) 8481381; Fax: +63 (2) 8410315

Website: www.atram.com.ph



Disclaimer:

This e-mail, including any attachments, is for the exclusive use of the intended recipient/s. It may contain confidential, proprietary or legally privileged information. If you received this e-mail by mistake, kindly delete it and any attachments from your system, destroy any hard copies and notify the sender immediately. Retention, dissemination, distribution, copying or otherwise making use of any part of this e-mail and any attachments if you are not the intended recipient is strictly prohibited. Thank you.

This e-mail and any attachments are neither a solicitation nor an offer to buy or sell any security or related financial product. Information and/or views contained herein are for information only and based on data that ATR Asset Management (ATRAM) has researched. However, ATRAM does not represent that the information and/or views are accurate or complete, and these should not be relied upon as such. Any person receiving this e-mail must make his/her own investigation and satisfy him-/herself as to the accuracy and completeness of the information and/or views. This document may not be reproduced or distributed without written consent from ATR Asset Management.

The content on this material is provided for information purposes only and should not be considered as investment advice. This document is not a solicitation or an offer to buy or sell any securities or related financial products. While this document was prepared with reasonable care, no guarantee is given as to the accuracy and completeness of the information herein. Information and/or views contained herein are for information only and based on data that ATR Asset Management (ATRAM) has researched. However, ATRAM does not represent that the information and/or views are accurate or complete, and these should not be relied upon as such. Any person receiving this document must make his/her own investigation and satisfy him-/herself as to the accuracy and completeness of the information and/or views. Any information or opinion expressed in this document is subject to change without prior notice. This document may not be reproduced or distributed without written consent from ATR Asset Management.