

Daily Matters

October 4, 2012

MARKET INDICATORS

As of October 3, 2012

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	5,375.52	26.84	0.50%
Dow Jones	13,494.61	12.25	0.09%
S&P 500	1,450.99	5.24	0.36%
NASDAQ	3,135.23	15.19	0.49%
MSCI Asia ex-Japan	520.00	0.61	0.12%
MSCI Emerging Market	1,002.50	-3.73	-0.37%
5 Yr FXTN	4.35	-3 bps	
10 Yr US Treasury	1.61	-1 bp	
USD/PHP	41.57	-0.02	-0.06%

Source: Bloomberg

NEWS IN THE PHILIPPINES

ADB Upgrades PH Growth Forecast

- Asian Development Bank (ADB): The Manila-based financial institution hiked its growth predictions for the Philippines this year, despite cutting forecasts for the rest of Asia. In its latest outlook, the country's GDP is forecasted at 5.5% for 2012 from the original 4.8% predicted last April. The upgrade came from higher-than-expected first half growth and more moderate growth in the second half.

Local Bond Market

- The yields of local bonds rose across the board except the 3 month, 5 year and 7 year tenors while the 1 month and 10 year yields were unchanged. The yield of the benchmark 5 year bond fell 3 bps at 4.35%.

Philippine Stocks

- Philippine stocks soared to a new all-time high yesterday as investors hope on further Central Bank monetary easing to spur economic growth. The Philippine Stock Exchange index (PSEi) climbed 0.50% or 26.84 points to close at 5,375.52. It is the 22nd time this year that an all-time high was recorded. However, market breadth was negative as decliners outnumbered advancers 84 to 68 with 55 stocks unchanged as investors pocket gains from fast-moving stocks.

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Philippine Peso

- The peso slid against the US dollar yesterday on concern that the slowdown in Europe will hamper demand in emerging-market assets. The local currency closed 0.06% or 2 cents lower at 41.57.

NEWS AROUND THE WORLD

US Services Expand More than Forecasted

- The Institute for Supply Management (ISM): The services sector of the world's largest economy expanded in September, the first in 6 months. The ISM's non-manufacturing index rose to 55.1, surpassing expectations of 53.7 in August. Readings above 50 signify an expansion.
- In a separate report, payroll processor ADP Employer Services said that private payrolls increase by 162,000 last month. This serves as a prelude to the release of much-awaited government monthly jobs data on Friday.

US Stock Market

- US stocks closed slightly higher due to improved reports on the US economy moderated by growth concerns in Europe and Asia. Investors are looking forward to a recovery in the labour market after last month's grim report. (Dow Jones -0.09% 13,494.61; NASDAQ 0.49% 3,135.23; S&P 500 0.36% 1,450.99)

Asian Stocks

- Asian stocks ticked up after positive US data leaving investors waiting for further economic indicators and a European Central Bank Policy Meeting. The MSCI Asia ex-Japan Index rose 0.12% or 0.61 points to close at 520.00.

Emerging Markets

- Emerging-market stocks dropped for the first time in 5 days as declining crude-oil prices pulled down producers and China's service industries recorded its slowest expansion in more than a year. The MSCI Emerging Markets Index shed 0.37% or 3.73 points to close at 1,002.50.

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

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