

## MARKET INDICATORS

As of October 3, 2017

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	8,312.93	56.65	0.69%
Dow Jones	22,641.67	84.07	0.37%
NASDAQ	6,531.71	15.00	0.23%
S&P500	2,534.58	5.46	0.22%
MSCI Asia ex-Japan	670.20	7.42	1.12%
MSCI Emerging Market	1,097.03	14.06	1.30%
5Yr FXTN	4.61	0 bps	
10 Yr US Treasury	2.32	-2 bps	
USD/PHP	51.11	0.02	0.03%

Source: Bloomberg



## News in the Philippines

### BSP Likely to Raise Interest Rates in Q4

- Based on an interview with Gundy Cahyadi, economist of DBS Bank, Bangko Sentral ng Pilipinas (BSP) is likely to impose a hike on interest rates during the fourth quarter of this year, in anticipation of inflation. Core inflation, according to Gundy, is rising as influenced by the fluctuating food and fuel prices, while headline inflation remains steady. Furthermore, DBS expects consumer prices to rise 3.1% in September, which falls between BSP's expected range of 2.9-3.6%. They maintain that BSP will likely implement a 25-basis point increase in interest rate during the fourth quarter this year and during the first quarter next year, with the weak performance of the peso influencing the hike.

### Local Bond Market

- The yield of the benchmark 5-year bond closed at 4.61 during yesterday's session.
- The yields of bonds traded mostly flat throughout yesterday's session with 3 yields rising, 1 yields falling and 7 yields remaining stagnant.

### Philippine Stocks

- Local stocks broke out to a new high closing within the 8,300-mark yesterday as enthusiastic domestic investors show support for local stocks hoping that the strong U.S. data will sustain market performance. The PSEi gained 0.69% or 56.65 points to end the day at 8,312.93.

### Philippine Peso

- The local peso slips against the firmer U.S. dollar with American indices post new highs. The peso closed the day at PHP 51.11.



## News around the World

### Japan's Monetary Base Grow 15.6% in September YoY

- According to the report released by the Bank of Japan on Tuesday, Japan's Monetary Base rises to 15.6%, at 471.120 trillion yen, in September year-on-year (YoY). The latest reading however, failed to meet expectations which was set at 16.7% and at the same time, lower than August's reading which was at 16.3%. Specifically, circulating banknotes and coin rose 4.6% and 1.2% respectively. Moreover, current account balances climbed 19.3% with 17.7% increase in reserve balances. The adjusted monetary base grew 13.1% to 470.901 trillion yen. For the third quarter, the monetary base rose 15.8% on annual.

### US Market

- U.S. stocks advanced on Tuesday with the Standard & Poor's 500 Index rising for the sixth consecutive time. Influencing the rise are the strong economic data, the positive result of the ISM Manufacturing Survey, and impending interest rate hike. The S&P 500 ended at 2,534.58 rising 0.22% or 5.46 points. The Dow Jones gained 84.07 points or 0.37% to end at 22,641.67. The NASDAQ went 15.00 points up or 0.23% to close at 6,531.71.

### Asian Stocks

- Asian equity indices rose yesterday as influenced by the Japan and Hong Kong markets. The MSCI Asia-Ex Japan Index rose 1.12% or 7.42 points to close at 670.20.

### Emerging Markets

- Emerging market stocks reached a week's high yesterday as influenced by gains in the global markets and strong U.S. manufacturing data. The MSCI Emerging Markets Index rose 1.30% or 14.06 points, closing at 1,097.03.