

Daily Matters

November 26, 2014

MARKET INDICATORS

As of November 25, 2014

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,286.85	-38.28	-0.52%
Dow Jones	17,814.94	-2.96	-0.02%
S&P 500	2,067.03	-2.38	-0.12%
NASDAQ	4,758.25	3.36	0.07%
MSCI Asia ex-Japan	572.94	-0.71	-0.12%
MSCI Emerging Market	1009.10	-2.13	-0.21%
5 Yr FXTN	3.20	-1 bps	
10 Yr US Treasury	2.25	-5 bps	
USD/PHP	44.97	-	-

Source: Bloomberg

NEWS IN THE PHILIPPINES

Philippine Imports in September Declined, PEZA Says Incentives May Turn Away Investors

- The Philippine government reported yesterday that the merchandise imports failed to sustain growth in September as the Philippines continued to cut its purchases of electronic products. Imports fell 2.6% to \$5.569 billion in September, after going up 0.9% in August. The decrease in total imports was due to the negative performance of transport equipment, electronic products and other food and live animals.
- According to the Philippine Economic Zone Authority (PEZA), the new incentive packages could give potential investors a negative impression. The new draft proposes a 15-year limit on all incentives to be granted for export-oriented companies, which can only be extended to a maximum of 15-year subject to review of the investment board. PEZA is concerned that it might send a message that there is no certainty of policy in our country.

Local Bond Market

- On the local fixed income space, the 1m,3m,6m, 2y,3y, and 20y remained flat while the rest declined. The 5-year-benchmark dropped 1 bp to 3.20%.

Philippine Stocks

- Local equities slightly declined as investors took profit following the optimism in US markets as well as the growing confidence in Europe and China markets after the stimulus. The PSEi shed 38.28 points, or 0.52%, to close at 7,286.85.

Philippine Peso

- The Philippine peso traded on the sidelines against the US Dollar. It opened at 44.05 and traded at a tight range of 44.935 to 44.985 for the day. Peso closed at 44.97 versus previous day's close of 44.91.

NEWS AROUND THE WORLD

US Preliminary GDP Up, US Consumer Confidence Dropped, China Rate Cut Halting Slide in Sales

- US Preliminary GDP quarter-on-quarter was up at 3.9% versus forecast of 3.3%. This is the broadest measure of economic activity and primary gauge of economy's health.
- US Consumer Confidence, which is a level of composite index that measures the financial confidence and accounts for a majority of overall economic activity, dropped to 88.7 versus forecast of 95.9. It also dropped versus the previous 94.1.
- China's first interest rate cut since 2012 is set to halt a slide in property sales, reducing the developers' stock of unsold homes that has weighed on house prices. It adds discount of as much as 12 percent on mortgages banks.

US Stock Market

- U.S. stocks was little changed on back of contrasting data – 3rd quarter expansion versus forecast and drop in consumer confidence. The Dow Jones Industrial Average lost 2.96 points, or 0.02%, to 17,814.94. The S&P 500 lost 2.38 points, or 0.12%, to 2,067.03. The Nasdaq gained 3.36 points, or 0.07%, to 4,758.25.

Asian Stocks

- Asian equities mostly fell yesterday as the boost from China's surprise cut in the interest rate faded and investors await more U.S. economic data and OPEC meeting. The MSCI Asia-Ex Japan Index was little changed at 572.94, down by -0.12%.

Emerging Markets

- Emerging-market stocks were little changed. Investors anticipate the likely nomination this week of market-friendly banker Joaquim Levy as the finance minister during the second term of President Dilma Rousseff. The MSCI Emerging Markets Index closed at 1009.10, down by -0.21%.

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

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