

# Daily Matters

November 28, 2014

## MARKET INDICATORS

As of November 27, 2014: US Markets as of November 26

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,265.34	-91.25	-1.24%
Dow Jones	17,827.75	12.81	0.07%
S&P 500	2,072.83	5.80	0.28%
NASDAQ	4,787.32	29.07	0.60%
MSCI Asia ex-Japan	577.83	1.15	0.20%
MSCI Emerging Market	1012.62	0.65	0.06%
5 Yr FXTN	3.24	4 bp	
10 Yr US Treasury	2.22	-3 bp	
USD/PHP	44.85	-0.10	-0.21%

Source: Bloomberg

## NEWS IN THE PHILIPPINES

### **Senate Approves Php82,000 Cap On Tax-Exempt Bonuses, Philippine GDP fell at 5.3%, October Car Sales Up, BSP to Put Hold Further Rate Hike**

- A proposed amendment that raises the cap on tax-exempt bonuses to Php82,000 gained Senate approval on third and final reading on Wednesday, after two decades of a P30,000 upper limit rendered unworkable because of inflation.
- Philippine Statistics Authority (PSA) reported that the country's GDP growth was slower in 3Q 2014, rising to 5.3% compared to the 6.4% growth in 2Q in 2014 due to the decline in agricultural output and government spending.
- Sales of imported cars in the Philippines went up by 20% in October due to sustained demand for imported passenger cars and light commercial vehicles.
- Bangko Sentral ng Pilipinas (BSP) puts on hold further rate hikes as Philippine economy slows. BSP Governor Amando M. Tetangco Jr. said that existing monetary settings should be able to prop up the economy for the rest of the year. He said, "While GDP surprised on the downside, we expect GDP would continue to be buoyed by private consumption and as the national government clears up spending bottlenecks."

### **Local Bond Market**

- On the local fixed income space, yields of the 3y, 5-10y and 25y inched higher while the rest remained flat. The 5-year-benchmark gained roughly 4 bps to 3.24%.

## Philippine Stocks

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- The Philippine Stock Exchange index (PSEi) fell by 91.25 points or 1.24% to close at 7,265.34 due to the dismay in the Philippine 3Q GDP figure that was released yesterday.

## Philippine Peso

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- The Philippine peso fell yesterday and traded at a range of 44.84 to 44.96 against the US Dollar for the day. It opened at 44.88 and closed at 44.85, 7 centavos lower than the previous day's close of 44.92.

## NEWS AROUND THE WORLD

### German CPI Data Flat, China Loosened Monetary Policy, Crude Oil Continue to Fall

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- German preliminary CPI, which is the change in the price in goods and services purchased by consumers, remained flat at 0% compared to forecast. German unemployment, which is the change in unemployed number of people during the previous month, also fell to 14k.
- China loosened their monetary policy by lowering its lending and deposit rates. The PBOC may also may cut reserve-requirement ratios. Latest data showed that China's industrial profits fell by 2% in October.
- Crude oil prices continued to decline after the OPEC decided not to reduce the group's current production target.

### US Stock Market

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- US Markets were closed due to Thanksgiving holiday.

### Asian Stocks

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- Asian equities retreated as oil drop weighed on energy companies. China stocks gained on signs that the Chinese government is further loosening their monetary policy. The MSCI Asia-Ex Japan Index was at 577.83, up by 1.15%.

### Emerging Markets

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- Emerging-market mostly fell as energy shares declined on OPEC's decision to take no action to ease the global oil-supply glut. The MSCI Emerging Markets Index was little changed at 1012.62.