



Daily Matters

January 3, 2018

MARKET INDICATORS

As of January 2, 2018

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	8,558.42	23.33	0.27%
Dow Jones	24,824.01	104.79	0.42%
NASDAQ	7,006.90	103.51	1.50%
S&P500	2,695.81	22.20	0.83%
MSCI Asia ex-Japan	725.18	12.35	1.73%
MSCI Emerging Market	1,177.98	20.43	1.76%
5Yr FXTN	4.74	0 bps	
10 Yr US Treasury	2.46	6 bps	
USD/PHP	49.83	-0.02	-0.04%

Source: Bloomberg *PSEi data is as of Dec. 29, 2017



News in the Philippines

PH Manufacturing Sector Ends 2017 Strong

- According to the Nikkei Philippines Manufacturing Purchasing Managers' index (PMI), the country's PMI score dipped in December to 54.2 from 54.6 in November nonetheless, sustaining a strong fourth quarter performance. The global research firm confirmed that despite the decline, the country still showed solid growth during the last month of the year with the improvement of the health sector, staying above the 50-mark that signals increase in manufacturing activity. Domestic demand was the main driver of manufacturing activity with exports remained mellow. Output and new orders grew in December.

Local Bond Market

- The yield of the benchmark 5-year bond closed at 4.74, changing at 0 bps during yesterday's session.
- The yields of bonds were mostly negative and stagnant throughout yesterday's session with 1 yields rising, 5 yields falling and 5 yields remaining stagnant.

Philippine Stocks

- The local bourse closed the year with a bang reaching a new record high on Friday, as investors swayed from making bets on risky assets on the last trading year of 2017. The financial sector led the rise. The PSEI rose 0.27% or 23.33 points landing at 8,558.42 at market's close.

Philippine Peso

- The local peso gained strength against the U.S. dollar due to continued flow of remittances. During the last week of 2017, the peso bounced back and returned to the PHP 49-mark. The peso closed the day at PHP 49.83.



News around the World

China's Manufacturing Strength Grows in December

- Based on the latest survey data released on Tuesday, the manufacturing sector of the world's second largest economy reached a four-month high in December to meet new orders. The Caixin/Markit Manufacturing Purchasing Managers' Index (PMI) shows that the Chinese manufacturing sector expanded to 51.5 in December, from 50.8 in November surpassing economists' estimate at 50.6. Boosted by stronger demand to meet total new local and abroad orders soaring to its highest since August, the output grew at its fastest pace in 3 months. Although the data shows a "wobble" in production, there has been a spike in overseas orders that can boost exports.

US Market

- U.S. stocks started the year strong with the major indices closing at record highs. The major sectors that boosted the performance of the indices by posting gains of more than 1% are the energy, consumer discretionary, materials, and technology sectors. The S&P 500 ended at 2,695.81 climbed 0.83% or 22.20 points. The Dow Jones went up 104.79 points or 0.42% to end at 24,824.01. The NASDAQ rose 103.51 points or 1.50% to close at 7,006.90.

Asian Stocks

- Asian stocks showed strength during yesterday's session as traders returned from holiday with the weaker U.S. dollar, Hong Kong posted highest gains since 2007 and strong Chinese manufacturing data. The MSCI Asia-Ex Japan Index rose 1.73% or 12.35 points to close at 725.18.

Emerging Markets

- Emerging stocks reached a new high in five and a half years with a weak U.S. dollar, strong economic growth data and bullish commodities. Emerging market country currencies are also reach peaks. The MSCI Emerging Markets Index surged 1.76% or 20.43 points, closing at 1,177.98.

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