

MARKET INDICATORS

As of January 3, 2018

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	8,724.13	165.71	1.94%
Dow Jones	24,922.68	98.67	0.40%
NASDAQ	7,065.53	58.63	0.84%
S&P500	2,713.06	17.25	0.64%
MSCI Asia ex-Japan	729.04	3.86	0.53%
MSCI Emerging Market	1,184.21	6.23	0.53%
5Yr FXTN	4.71	-3 bps	
10 Yr US Treasury	2.45	-2 bps	
USD/PHP	49.79	-0.04	-0.09%

Source: Bloomberg



News in the Philippines

DOF Projects 3.2% Inflation Rate in December

- According to the Department of Finance, inflation is likely to ease out to 3.2% in December with food prices remaining stable despite festivities during the last month of 2017. Prices of basic goods were also seen to have increased in slightly moderate rate last month due to lower power cost. With the expected inflation rate in December, it is seen that the country will hit its targeted 2-4% inflation rate target, putting 2017's average at 3.2%. DOF Secretary and chief economist, Gil S. Beltran affirmed that low inflation is a sign of strong macroeconomic fundamentals. Further, the implementation of the Tax Reform for Acceleration and Inclusion (TRAIN) Act package 1, reform in the rice sector and the administration's "Build, Build, Build" policy will bolster the country's growth to 7-8% and help maintain manageable inflation.

Local Bond Market

- The yield of the benchmark 5-year bond closed at 4.71, falling at 3 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 soared reaching the 8,700-mark yesterday, the first trading day of the year on the back of positive outlook on local equities and upbeat regional markets. Holding firms, property and services counter led the gain with all other counters closing firm. PSEi climbed 1.94% or 165.71 points landing at 8,724.13 at market's close.

Philippine Peso

- The local peso continued to gain strength against the U.S. dollar due to uncertainty over the incoming U.S. Federal Reserve leadership. The peso closed the day at PHP 49.79.



News around the World

U.S. Manufacturing Grows at its Fastest in Three Months

- Based on the latest survey data from the Institute of Supply Management (ISM), the U.S. manufacturing grew its fastest in December since 2004 due to increased orders and production during year-end. The ISM Manufacturing Index shows that factory activity grew to 59.7 in December from 58.2 in November, the fastest rate in three months. Gauge of new orders reached 69.4 from 64, the highest it has been in 14 years. The measure of production rose to 65.8 from 63.9. Increased domestic business investment, improved global economies and steady spending of American households contributed to the latest reading.

US Market

- U.S. stocks had a stellar close during yesterday's session with the release of the Federal Reserve's December policy meeting minutes showing that the gradual interest rate increase had officials' support and the U.S. dollar extending gains. The Dow Jones Industrial Index (DJAI) and Nasdaq Composite Index reached new all-time highs. The Standard & Poor's 500 Index breached the 2,700-mark for the first time. The S&P 500 ended at 2,713.06 climbed 0.64% or 17.25 points. The Dow Jones soared 98.67 points or 0.40% to end at 24,922.68. The NASDAQ rose 58.63 points or 0.84% to close at 7,065.53.

Asian Stocks

- Asian markets strengthened during Wednesday's session as driven by technology and consumer stocks. China led the rise in the region. The MSCI Asia-Ex Japan Index rose 0.53% or 3.86 points to close at 729.04.

Emerging Markets

- Emerging stocks reached a six-year high at Wednesday's close amidst the weak U.S. dollar and signs of global economic growth. The MSCI Emerging Markets Index climbed 0.53% or 6.23 points, closing at 1,184.21.