

Daily Matters

January 10, 2012

MARKET INDICATORS

As of January 9, 2012

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	6,091.18	42.28	0.70%
Dow Jones	13,390.51	61.66	0.46%
S&P 500	1,461.02	3.87	0.27%
NASDAQ	3,105.81	14.00	0.45%
MSCI Asia ex-Japan	556.53	1.58	0.28%
MSCI Emerging Market	1,073.03	3.17	0.30%
5 Yr FXTN	3.60	-	
10 Yr US Treasury	1.86	-1 bp	
USD/PHP	40.79	-0.03	-0.07%

Source: Bloomberg

NEWS IN THE PHILIPPINES

LGU's Budgets Hiked

- Budget Department: Local Government Units (LGUs) have been given increased budgetary support this year due to an improvement in the revenue collection of the Aquino administration. A total internal revenue allotment (IRA) of P302.3B from the P2.006T budget was given to LGUs, up 37.5% from last year. This budget boost is expected to strengthen operational efficiencies and improve the delivery of key goods and services to the public.

Local Bond Market

- The yields of bonds mostly gained yesterday with the yields of 6 tenors rising, 4 declining and 2 unchanged.
- The yield of the benchmark 5-year bond was flat at 3.60%.

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Philippine Stocks

- Philippine stocks surged with heavy volume as foreign funds flooded the bourse due to a positive investment outlook and a possible credit upgrade, despite questions on the sustainability of economic gains. The Philippine Stock Exchange index (PSEi) leaped 0.70% or 42.28 points to close at 6,091.18, its 6th consecutive all-time high for the year. Market breadth was positive with 109 stocks advancing, 73 declining and 32 flat.

Philippine Peso

- The peso further appreciated as investors remained optimistic and demanded local securities. The local currency closed 0.07% or 3 cents lower at 40.79.

NEWS AROUND THE WORLD

CNY Loans Lower than Expected

- People's Bank of China: China's new yuan loans fell more than forecasted last month while a broader measure of financing advanced 28%, underscoring risks on the economy's dependence on non-bank credit. Loans stood at 454.3B yuan (\$73B) compared with last year's 640.5B yuan. Aggregate financing, which includes bank and non-bank lending, was at 1.63T yuan, up from 1.27T yuan a year ago.

US Stock Market

- US stocks recovered as investors cheered an upbeat start on the release of corporate earnings results. An aluminium producer reported earnings in line with forecast but with better sales than expected urging optimism about earnings season. (Dow Jones 0.46% 13,390.51; NASDAQ 0.45% 3,105.81; S&P 500 0.27% 1,461.02)

Asian Stocks

- Asian stocks gained yesterday as investors resumed buying after a round of profit taking. Gains were capped while investors warily await the release of corporate earnings. The MSCI Asia ex-Japan Index climbed 0.28% or 1.58 points to close at 556.53.

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Emerging Markets

- Emerging-market stocks rose as utilities rebounded and earnings from a US aluminium producer predicted stronger demand in the biggest developing nations. The MSCI Emerging Markets Index gained 0.30% or 3.17 points to close at 1,073.03.

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

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