

Daily Matters

January 16, 2014

MARKET INDICATORS

As of January 15, 2014

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	5,958.12	22.56	0.38%
Dow Jones	16,481.94	108.08	0.66%
S&P 500	1,848.38	9.50	0.52%
NASDAQ	4,214.88	31.86	0.76%
MSCI Asia ex-Japan	539.30	1.15	0.21%
MSCI Emerging Market	977.87	2.59	0.27%
5 Yr FXTN	3.60	30 bps	
10 Yr US Treasury	2.89	2 bps	
USD/PHP	45.00	0.19	0.41%

Source: Bloomberg

NEWS IN THE PHILIPPINES

Remittances Climb 7.5%; Auto Industry Exceeds 2013 Targets

- **Bangko Sentral ng Pilipinas (BSP):** Remittances reached its highest November monthly inflow on record last year, fuelled by continued demand for Filipino workers abroad. Money sent home through banks climbed by 7.5%, the fastest annual growth since January of 2012, to \$2.063 billion in November from \$1.918 billion during the same period in 2012. This brought the 11 month period of 2013 tally to \$20.605 billion, up 6.1% from the \$19.417 billion in 2012.
- **Association of Vehicle Importers and Distributors (AVID) and Chamber of Automotive Manufacturers of the Philippines, Inc. (CAMPI):** Vehicle importers and assemblers both garnered double digit gains last year, allowing the whole industry to hit an upwardly revised target. Members of the association sold a total of 31,399 units in 2013, up 10.6% year-on-year. Combined with the CAMPI's count of 181,283 units released last Tuesday and taking out a common member, the full-year result stood at 211,558 units, above the industry target of 210,000 units.

Local Bond Market

- The yield of the benchmark 5-year bond gained 30 bps to close at 3.60%.
- The yields of bonds were mostly rose with 5 tenors rising, 4 unchanged, and 3 falling. Most long term yields rose.

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Philippine Stocks

- The Philippine stock market rallied yesterday tracking overnight gains in Wall Street. The Philippine Stock Exchange index (PSEi) recovered 0.38% or 22.56 points to close at 5,958.12. Sectoral indices were equally divided among gainers and losers.

Philippine Peso

- The peso slumped to the P45 to a dollar level for the first time in more than 3 years as positive retail sales data in the US reinforced investor appetite for the greenback. The local currency closed 0.41% or 19 cents higher at 45.00.

NEWS AROUND THE WORLD

US Producer Prices Rise the Least in 5 Years

- US Labor Department: Wholesale prices in the US gained in December for the first time in 3 months, capping the smallest annual increase in 5 years. The producer-price index increased by 0.4%, following a 0.1% drop in November. The 1.2% advance for the calendar year was the slowest since 2008.

US Stock Market

- US stocks surged with the S&P ending at a new record on strong bank earnings and robust economic reports. The NASDAQ advanced to its highest level in 13 years. (Dow Jones 0.66% 16,481.94; NASDAQ 0.76% 4,214.88; S&P 500 0.52% 1,848.38)

Asian Stocks

- Asian stocks gained as strength in US consumer spending reassured investors that the world's largest economy is still on its recovery path. The MSCI Asia-Ex Japan Index jumped 0.21% or 1.15 points to close at 539.30.

Emerging Markets

- Emerging-market stocks climbed, led by exporters, after the World Bank raised its global growth forecast. India's shares leaped to a 5 week high. The MSCI Emerging Markets Index increased by 0.27% or 2.59 points to close at 977.87.

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

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