

Daily Matters

January 16, 2018

MARKET INDICATORS

As of January 15, 2018

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	8,857.72	43.1	0.49%
Dow Jones	25,803.19	228.46	0.89%
S&P500	2,786.24	18.68	0.67%
Nasdaq	7,261.06	49.28	0.68%
MSCI Asia ex-Japan	744.04	0.74	0.10%
MSCI Emerging Market	1,210.64	2.47	0.20%
5Yr FXTN	4.67	5 bps	
10 Yr US Treasury	2.55		
USD/PHP	50.34	-0.03	-0.06%

Source: Bloomberg



News in the Philippines

BSP readies check on excessive lending

- Bangko Sentral ng Pilipinas will impose minimum leverage standards starting July as this will serve as a tool to prevent excessive debt exposures and improve their financial base. A 5% minimum leverage ratio will be enforced, and the computation of the ratio includes subsidiary and quasi-banks owned by a big bank.
- The said leverage ratio will boost capital buffers by banks against potential risks, and will complement the 6.0% common equity Tier 1 ratio, the 7.5% Tier 1 ratio, and the 10% capital adequacy ratio (CAR) imposed by the central bank.

Local Bond Market

- The performance of the 5yr bond finished off at 4.67bps, with 7 yields falling and only 4 yields rising.
- The Government made a full award of the Php 20 Billion it planned to raise via the auction of Treasury bills yesterday, as this is due to market players placing their funds in short term tenor. As per the Treasury, auction results revealed a strong demand for the T-bills as average rates trended downward from the previous auction, except for the 91-day tenor.

Philippine Stocks

- The Philippine stock market advanced after yesterday's session adding 0.49% or 43.10 points to close at 8,857.72. The market rose along with the others in the region, with Wall Street leading on the back of optimism about corporate earnings in light of Donald Trump's tax cuts as well as the improving global economic outlook.
- The Philippine Stock Exchange confirmed that it has signed a deal to acquire the stake of San Miguel Corporation (SMC) in fixed-income bourse Philippine Dealing System Holdings Corp (PDS Holdings) for P80 million (\$1.6 million).

Philippine Peso

- The Philippine Peso strengthened slightly against the dollar on yesterday's trade as the US dollar weakened against other major and regional currencies as it ended at Php 50.34. The dollar's weakness was due to the weaker-than-expected retail sales data released by the US Commerce department on Friday.



News around the World

Japan M2 Money supply growth slows in December

- Bank of Japan confirmed that the country's M2 money supply growth eased for the second straight month in December. The M2 money stock climbed 3.6% year-over-year in December, slower than November's 4.0% rise. At the same time, the annual growth in M3 money supply eased to 3.1% in December from 3.4% in the prior month.

US Market

- US Market are closed Monday in observance of Martin Luther King Jr. Day, but futures will trade a shortened session, until 1 p.m. Eastern Time. Trading volumes tend to be thin on U.S. holidays. The market performed setting up blue-chip stocks to blast out record after the holiday. The three major indexes booked second-straight weekly gains, with investors upbeat after a batch of earnings and economic data. Dow Jones ended at 25,803.19 or 228.46 points with 0.89%; S&P500 at 2,786.24 or 18.68 points with 0.67%; and the Tech Savvy Nasdaq finished off at 7,261.06 or 49.28 points with 0.68%.

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Asian Stocks

- Asian stock markets edged higher on Monday after Wall Street's strong finish last week. The MSCI Asia ex-japan ended the trade at 744.04 with 0.74 points or 0.10%.

Emerging Markets

- The Emerging Market hit 10-year high as Asia hits record with the first record high for Asian stocks since 2007 and currencies from China's yuan to Mexico's peso and Russia's rouble rising against a sliding dollar. The MSCI Emerging Market finished off at 1,210.64 or 2.47 points with 0.20%.

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