

Daily Matters

January 19, 2017

MARKET INDICATORS

As of January 18, 2017

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,156.36	33.03	0.46%
Dow Jones	19,804.72	-22.05	-0.11%
S&P500	2,271.89	4.00	0.18%
Nasdaq	5,555.66	16.93	0.31%
MSCI Asia ex-Japan	538.71	2.54	0.47%
MSCI Emerging Market	897.89	3.02	0.34%
5Yr FXTN	3.85	78 bps	
10 Yr US Treasury	2.43	1 bp	
USD/PHP	49.84	0.11	0.23%

Source: Bloomberg

NEWS IN THE PHILIPPINES

Philippines launches 25-year dollar bonds

- National Treasurer Roberto Tan confirmed that the country is marketing a 25-year dollar benchmark bond as it has the authority to raise up to \$2 billion. The said proceeds will be used to finance Pres. Duterte's P3.35 trillion budget this year and also used to repay foreign debts.
- The bonds are marketed at an initial yield guidance of 3.95% area, alongside a one-day tender offer for some of its outstanding dollar bonds. The dollar bond offering was assigned investment grade of "BBB" by S&P Global Ratings, "BBB-" by Fitch Ratings, and a provisional "Baa2" by Moody's Investors Service.

Local Bond Market

- The yield of the benchmark 5-year bond is 78.21 bps lower at 3.85%. The yields of bonds is still on a negative state with 7 yields falling and only 4 yields rising.

Philippine Stocks

- The Philippines stocks bounced back from a 5-day decline as investors hunted for bargains despite uncertainties over the leadership change in the United States and the issue of U.K leaving the European Union. The PSEi ended in the negative territory for the past five straight sessions, removing more than a quarter of the 523.7 points gained during the first six days of this year's trading. It finished off the trade with 33.03 points or 0.46% to

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7,156.36.

Philippine Peso

- The Philippine peso appreciated against the US dollar after US Pres. Trump commented that the US dollar was “too high” and British Prime Minister Theresa May set a “hard Brexit” course. The local peso closed at Php 49.84.

NEWS AROUND THE WORLD

U.S. refinancing activity highest in five weeks: MBA

- Mortgage Bankers Association released a data that shows a rise in the U.S. application activity since mid-December as home borrowing costs fell for a third straight week. MBA application is at 1,263.2 in the week ended Jan. 13, up 6.8% from the previous week.
- MBA's seasonally adjusted index on application activity to buy a home fell from a six-month high to 229.4, which was 5.2% lower from the prior week.

US Stock Market

- U.S. stocks indexes were fare and US dollar fell to its lowest level after Trump's comment about the US dollar being too strong. (Dow Jones 19,804.72 -0.11%; NASDAQ 5,555.66 0.31%; S&P 500 2,271.89 0.18%)

Asian Stocks

Asian stock markets stabilized near three-month highs which is because of Hong Kong and Chinese shares help as investors judged US President-elect Donald Trump's concerns over a stronger dollar to be beneficial to some of the regional bourses. The MSCI Asia-Ex Japan Index increased 0.47% or 2.54 points to close at 538.71.

Emerging Markets

- Emerging stocks rose for a second day but its currencies struggled to put up on their gains in the wake of recent dollar weakness with South Africa's rand and Turkey's lira coming under renewed pressure. The MSCI Emerging Markets Index is at 0.34% or 3.02 points to close at 897.89.

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

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