

# Daily Matters

January 20, 2017

## MARKET INDICATORS

As of January 19, 2017

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,246.08	89.72	1.25%
Dow Jones	19,732.40	-72.32	-0.37%
S&P500	2,263.69	-8.2	-0.36%
Nasdaq	5,540.08	-15.58	-0.28%
MSCI Asia ex-Japan	537.52	-1.19	-0.22%
MSCI Emerging Market	894.52	-3.37	-0.38%
5Yr FXTN	4.84	99 bps	
10 Yr US Treasury	2.47	4 bps	
USD/PHP	49.98	0.14	0.28%

Source: Bloomberg

## NEWS IN THE PHILIPPINES

### Global bond sale raises \$500 million

- Department of Finance said in their statement that the country raised \$500 million from the new 25-year US dollar bond offering which attracted strong demand amidst the financial market volatility. The bonds were priced at par with a coupon of 3.7%, below the initial guidance of 3.95%.
- According to Mr. Roberto Tan, the success of the sale was a “testament to the country’s resilience and their faith on the administration in implementing reforms and strategies.”

### Local Bond Market

- The yield of the benchmark 5-year bond gained 99.46 higher at 4.84% after several depreciations.
- The yields of bonds mostly appreciate with 9 yields rising led by the 5-yr bond and only 2 yields falling.

### Philippine Stocks

- Local stocks sailed brought upon by developments in the US and UK as investors continue to bargain and hunt despite mix in the trading floor. The Market waited for the comments from Federal Reserve Chairperson Janet L. Yellen after digesting a series of corporate earnings and economic data. PSEI headed further up with 89.72 points or 1.25% to close at 7,246.08.

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## Philippine Peso

- Philippine peso almost reach the Php 50 level against the US dollar due to comments from Fed Chair Yellen on the need to gradually increase the rates this year, upbeat US inflation and supported by strong economic data. The peso finished off at Php 49.98.

## NEWS AROUND THE WORLD

### US Mid-Atlantic business activity highest in two years: Philly Fed

- The Philadelphia Federal Reserve: business activity in US Mid-Atlantic region increased in January to its strongest level due to a pickup in new orders and employment and an improved six-month outlook. The gauge rose to 23.6 last month, which was the highest since November 2014 when it was 34.8 and the December reading was revised down to 19.7.

### US Stock Market

- U.S. stocks indexes fell after Thursday's trade, with the Dow Jones marking its fifth day of losses as investors stayed away from making risky bets ahead of Donald Trump's inauguration. The market is trading on a tight range as they look for more details on the President's policies. (Dow Jones 19,732.40 -0.37%; NASDAQ 5,540.08 -0.28%; S&P 500 2,263.69 -0.36%)

### Asian Stocks

- Asian shares slightly dropped and the dollar rebounded after Fed Chair Yellen commented on the plan of the interest rate hike. The MSCI Asia-Ex Japan Index slumped -0.22% or -1.19 points to close at 537.52.

### Emerging Markets

- Emerging stocks also fell due to the rate hike issue that is close to full employment. Fed Chair Yellen is expecting the key benchmark short-term rate to rise "a few times a year" till 2019, with a near long-term sustainable rate of 3%. The MSCI Emerging Markets Index is at -0.38% or -3.37 points to close at 894.52.

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

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