

Daily Matters

January 24, 2013

MARKET INDICATORS

As of January 23, 2013

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	6,092.53	-12.37	-0.20%
Dow Jones	13,779.33	67.12	0.49%
S&P 500	1,494.81	2.25	0.15%
NASDAQ	3,153.67	10.49	0.33%
MSCI Asia ex-Japan	560.03	-1.43	-0.25%
MSCI Emerging Market	1,076.53	-2.54	-0.24%
5 Yr FXTN	3.58	-10 bps	
10 Yr US Treasury	1.82	-2 bps	
USD/PHP	40.63	0.03	0.06%

Source: Bloomberg

NEWS IN THE PHILIPPINES

IMF Raises Growth Forecast for PH

- International Monetary Fund (IMF): The IMF raised the growth forecast for the Philippines for 2012 and 2013 even as it moderated expectations for other economies. The country likely grew 6.5% last year and could expand by 6% this 2013. The estimates signified a jump from the 4.8% initial forecast for both years. However, growth in 2014 could stand at 5.5%. The organization cited a strong domestic demand, healthy public spending, and improvements in institutions and structural frameworks as drivers of sustainable growth.

Local Bond Market

- The yields of bonds mostly fell yesterday with 7 issues falling, 2 rising, and 3 unchanged. Most short term bonds were flat while medium to long term bonds fell.
- The yield of the benchmark 5-year bond shed 10 bps to close at 3.58%.

Philippine Stocks

- Philippine stocks retreated below the 6,100 mark due to a technical correction and profit-taking. The Philippine Stock Exchange index (PSEi) lost 0.20% or 12.37 points to close at 6,092.53. Market breadth was negative with losers overwhelming gainers at 91 to 62 while 51 stocks were flat.

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Philippine Peso

- The peso fell on speculation that the Bangko Sentral ng Pilipinas (BSP) will hold its benchmark interest rates at a record low. The local currency closed 0.06% or 3 cents higher at 40.63.

NEWS AROUND THE WORLD

IMF Cuts Global Growth Outlook; US House Approves Bill to Curb Debt Ceiling

- International Monetary Fund (IMF): In its latest World Economic Outlook, the international organization noted that the world economy is on the road to recovery, but it is transitioning at a slower pace than earlier expected. Global output is projected to grow by 3.5% in 2013 and 4.1% in 2014, slightly lower than the outlook of 3.6% and 4.2% last October.
- US House of Representatives: The House passed the “No Budget, No Pay,” a Republican Bill, that allows the Treasury Department to borrow new money to avoid the debt ceiling threat until mid-May. In exchange, the legislation requires lawmakers in both Chambers of Congress to pass a budget resolution or have their pays withheld until they are able to do so. The vote was 285 to 144 with 199 Republicans and 86 Democrats voting for the bill.

US Stock Market

- US markets jumped yesterday as investors cheered the latest round of positive tech earnings, with the S&P 500 and Dow hitting 5-year highs. (Dow Jones 0.49% 13,779.33; NASDAQ 0.33% 3,153.67; S&P 500 0.15% 1,494.81)

Asian Stocks

- Asian stocks withdrew from fresh 17 ½ month highs as worries build on corporate earnings. The MSCI Asia ex-Japan Index lost 0.25% or 1.43 points to close at 560.03.

Emerging Markets

- Emerging-market stocks dropped, led by industrial companies, as the IMF cuts global forecasts. The MSCI Emerging Markets Index edged 0.24% higher or 2.54 points to close at 1,076.53.

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

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