



Daily Matters

January 26, 2018

MARKET INDICATORS

As of January 25, 2018

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	8,999.17	78.94	0.88%
Dow Jones	26,392.79	140.67	0.54%
NASDAQ	7,411.16	-3.89	-0.05%
S&P500	2,839.25	1.71	0.06%
MSCI Asia ex-Japan	769.47	0.74	0.10%
MSCI Emerging Market	1,263.45	4.70	0.37%
5Yr FXTN	4.70	1 bps	
10 Yr US Treasury	2.62	-3 bps	
USD/PHP	50.90	0.07	0.14%

Source: Bloomberg



News in the Philippines

GDP "Tax Effort" Pushed 2017 BIR Tax Collection to Rise 11.26%

- According to the Bureau of Internal Revenue (BIR), 2017's tax collection rose 11.26% as a share of the gross domestic product (GDP), referred to as "tax effort". In a statement by BIR Commissioner Caesar R. Dulay, increased compliance of tax payers influenced last year's high collection rate. Moreover, BIR's Run After Tax Evaders Program filed 112 cases with liabilities reaching P40.948 billion. Another effort is Oplan Kandado Program which closed 125 businesses with tax violations and collected a total of P252.14 million. The BIR also reviewed around 164, 062 business records as part of the Tax Compliance Verification Drive that brought in P224.8 million. All in all, the BIR collected P1.779 trillion last year hitting 97.27% of the target and 12.92% higher than 2016, contributing to the 6.7% GDP growth in 2017.

Local Bond Market

- The yield of the benchmark 5-year bond closed at 4.70, rising at 1 bps during yesterday's session.
- The yields of bonds were mostly negative throughout yesterday's session with 3 yields rising, 5 yields falling and 3 yields stagnant.

Philippine Stocks

- The local bourse bounced back nearing the 9,000-mark closing at its seventh record high of the year on Thursday. Gains were posted by all sectors led by mining/oil, holding firms, services, industrials, property, and financials accordingly. PSEi soared 0.88% or 78.94 points landing at 8,999.17 at market's close.

Philippine Peso

- The local peso weakened against the U.S. dollar on Thursday despite U.S. protectionist trade policies scare and in anticipation of the European Central Bank's interest rate decision. The peso closed the day at PHP 50.90.



News around the World

U.S. Leading Indicators Rise in December

- The Index of Leading Economic Indicators Index, a closely monitored indicator of the U.S. economic health rose 0.6% in December. The latest rating surpassed economists' expectations of 0.5% and is higher than November's increase of 0.4%. According to the Conference Board research director Ataman Ozyildirim, the passing of the tax reform plan will likely support economic growth.

US Market

- The Standard & Poor's 500 and Dow Jones Industrial Average (DJIA) soared to close at new record highs yesterday due to strong earnings data. The S&P 500 ended 2,839.25 rose 0.06% or 1.71 points. The Dow Jones soared 140.67 points or 0.54% to end at 26,392.79. The NASDAQ fell 3.89 points or 0.05% to close at 7,411.16.

Asian Stocks

- Asian stocks closed at another record high yesterday amidst the growing concern about the U.S. government's protectionist stance. The MSCI Asia-Ex Japan Index rose 0.10% or 0.74 points to close at 769.47.

Emerging Markets

- Emerging market equities posted capped gains on Thursday due to jitters about U.S. protectionist policies. Emerging market currencies, however, continued to rise due to the weak U.S. dollar. The MSCI Emerging Markets Index went up 0.37% or 4.70 points, closing at 1,263.45.

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