

Daily Matters

February 26, 2014

MARKET INDICATORS

As of February 25, 2014

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	6,295.55	-0.77	-0.01%
Dow Jones	16,179.66	-27.48	-0.17%
S&P 500	1,845.12	-2.49	-0.13%
NASDAQ	4,287.59	-5.38	-0.13%
MSCI Asia ex-Japan	532.22	1.09	0.21%
MSCI Emerging Market	955.54	-2.88	-0.30%
5 Yr FXTN	3.77	-8 bps	
10 Yr US Treasury	2.70	-4 bps	
USD/PHP	44.63	0.04	0.09%

Source: Bloomberg

NEWS IN THE PHILIPPINES

Imports Down Slightly in 2013

- For the month of December 2013, the country's total imported goods went down by 0.1% year-on-year to US\$5.30 billion from the US\$5.294 billion recorded in 2012. The marginal decline on imported products was due to the decrease in shipments of feeding stuff for animals, electronic products, industrial machinery and equipment, iron and steel, and transport equipment. However, on a monthly basis, December 2013 imports were up by 1.1% from November's US\$5.236 billion.

Local Bond Market

- The yield of the benchmark 5-year bond declined by 8bps at 3.77%.
- Prices of local government securities rose today as market players expect a large amount of liquidity coming into the peso bond market. Yields declined by 1.86 basis points with the long-end of the curve dropping 10.0 basis points.

Philippine Stocks

- The local equities market closed yesterday sideways with a very slight downward bias on profit taking, prompted by the previous day's abrupt end to the recent 6 day rally, coupled with valuations of Philippine equities at overbought levels of 17x earnings. Select buying on promising local companies this reporting season, however, offset the late sell-off. The PSEi

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moved in a narrow range and ended barely changed, decreasing by only 0.77 points, or - 0.01%, to close at 6,295.55.

Philippine Peso

- The Philippine peso depreciated slightly against the US dollar as market players remained on the sidelines amid the lack of market moving news. The local currency lost 4 centavos to close at 44.63.

NEWS AROUND THE WORLD

US Consumer Confidence Falls; US Home Price Momentum Weakens

- U.S. consumer confidence waned in February. The Conference Board said its index of consumer confidence fell to 78.1 (Market estimate: 80.0) from a revised 79.4 in January (Previous: 80.7). The present situation index, a gauge of consumers' assessment of current economic conditions, jumped to 81.7 - its highest reading in almost six years - from a downwardly revised 77.3 in January (Previous: 79.1). In contrast consumer expectations for economic activity over the next six months sank to 75.7 from a downwardly revised 80.8 (Previous: 81.8).
- U.S. single-family home prices rose slightly more than expected in December. The S&P/Case-Shiller composite index of 20 metropolitan areas increased 0.76% MoM (Market estimate: +0.6%) on a seasonally adjusted basis. The 20-city composite index jumped 13.42% YoY (Market estimate: +13.4%).

US Stock Market

- US equities ended the day slightly lower as investors booked profits following the recent run-up in stocks following the release of weak economic data. The Dow Jones Industrial Average dipped 27.48 points, or 0.17%, to 16,179.66. The S&P 500 shed 2.49 points to 1,845.12. The Nasdaq tickled down 5.38 points to 4,287.59.

Asian Stocks

- Most Asian markets posted positive returns Tuesday on optimism that emerging market stocks would continue to recover from the down trend seen earlier this year. The MSCI Asia-Ex Japan Index gained 0.21% or 1.09 points to close at 532.22.

Emerging Markets

- Emerging market stocks closed mixed Tuesday ahead of the release of key US data, as a strong lead from Wall Street was offset by profit-taking while Chinese shares were hit by fresh liquidity concerns. The MSCI Emerging Markets Index tumbled 0.30% or 2.88 points to close at 955.54.

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

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