

# Daily Matters

February 27, 2014

## MARKET INDICATORS

As of February 25, 2014

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	6,322.60	27.05	0.43%
Dow Jones	16,198.41	18.75	0.12%
S&P 500	1,845.16	0.04	0.00%
NASDAQ	4,292.06	4.47	0.10%
MSCI Asia ex-Japan	535.08	2.86	0.54%
MSCI Emerging Market	956.26	0.72	0.08%
5 Yr FXTN	4.00	23 bps	
10 Yr US Treasury	2.67	-4 bps	
USD/PHP	44.61	-0.02	-0.04%

Source: Bloomberg

## NEWS IN THE PHILIPPINES

### BSP: Banks Well-insulated From External Shocks

- Universal and commercial banks in the country are well insulated from external shocks and domestic risks as their capitalization levels remain above the regulatory requirement. The average capital adequacy ratio (CAR) of big banks in the country settled at 17.51 percent as of the end of September 2013, the Bangko Sentral ng Pilipinas (BSP) reported Wednesday. This is slightly lower than the 17.98 percent recorded in June, and the 17.95 percent registered in September 2012.

### Local Bond Market

- The yield of the benchmark 5-year bond increased by 23 bps at 4.00%.
- On the local fixed income market, prices of local government securities rose as market players positioned on medium- and long-tenored bonds ahead of the month-end window dressing. Yields dropped by 4.51 basis points with the belly and the long-end of the curve declining 8.3 and 4.1 basis points, respectively.

### Philippine Stocks

- The local equities market rose, following regional trends, after the US published weaker-than-expected consumer confidence data. The PSEi went up by 27.05 points or +0.43% to close at 6,322.60.

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## Philippine Peso

- The Philippine peso traded sideways against the greenback as investors awaited for fresh leads. The local currency slightly gained 2 centavos to close at 44.61.

## NEWS AROUND THE WORLD

### U.S. New Home Sales Hit 5-1/2 Year High in January; German Consumer Morale Hits Highest Level Since Jan 2007

- Sales of new homes surged in January. New single-family home sales leapt 9.6% MoM (Market estimate: neg-3.4%) to a seasonally adjusted annual rate of 468,000 (Market estimate: 400k) from an upwardly revised 427k rate in December (Previous: 414k). That 468k sales pace is the highest since July 2008. YoY new-home sales increased 2.2%.
- German consumer morale rose to its highest level in seven years heading into March as shoppers in Europe's biggest economy became more upbeat about their future income. GfK market research group said its forward-looking consumer sentiment indicator, based on a survey of around 2,000 people, rose to 8.5 going into March from an upwardly revised 8.3 the previous month.

## US Stock Market

- U.S. stocks overcame an afternoon swoon to close narrowly higher following the best new home sales data since July 2008 and a rather stunning rally for retailers. The Dow Jones Industrial Average tickled up 18.75 points to 16,198.41. The S&P 500 crept up 0.04 of a point to 1,845.16. The Nasdaq edged up 4.47 points to 4,292.06.

## Asian Stocks

- Asia's markets mostly rose on Wednesday as investors brushed off a weak batch of data from the United States, while the dollar edged up against the yen. The MSCI Asia-Ex Japan Index inched up 0.54% or 2.86 points to close at 535.08.

## Emerging Markets

- Emerging-market stocks advanced, snapping a two-day decline, after better-than-estimated U.S. housing data bolstered confidence in the global economy. The MSCI Emerging Markets Index advanced 0.08% or 0.72 points to close at 956.26.

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

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