

Daily Matters

February 6, 2014

MARKET INDICATORS

As of February 5, 2014

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	5,908.41	22.40	0.38%
Dow Jones	15,440.23	-5.01	-0.03%
S&P 500	1,751.64	-3.56	-0.20%
NASDAQ	4,011.55	-19.97	-0.50%
MSCI Asia ex-Japan	509.25	-1.92	-0.38%
MSCI Emerging Market	916.56	-1.18	-0.13%
5 Yr FXTN	3.26	-34 bps	
10 Yr US Treasury	2.67	4 bps	
USD/PHP	45.33	0.00	-0.01%

Source: Bloomberg

NEWS IN THE PHILIPPINES

January Inflation Accelerates to 4.2%

- National Statistics Office (NSO): The nationwide inflation rate accelerated to 4.2% in January, the fastest pace in more than two years. The rise in consumer prices was driven primarily by gains in food and beverage prices. The latest inflation figures was the fastest since November 2011 which stood at 4.7%.

Local Bond Market

- The yield of the benchmark 5-year bond fell 34 bps to close at 3.26%.
- The yields of bonds mostly fell with 7 tenors falling and 5 rising. Most medium term bonds dropped.

Philippine Stocks

- Philippine stocks snapped a 3-day decline, after US markets rose on better-than-expected US corporate earnings. The Philippine Stock Exchange index (PSEi) advanced 0.38% or 22.40 points to close at 5,908.41. Market breadth was positive with advancers at 75 and losers at 59 while 58 issues did not move.

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Philippine Peso

- The peso steadied against the greenback, bucking a regional uptrend. The local currency closed flat at 45.33.

NEWS AROUND THE WORLD

US Services Sector Expand, Payrolls Grow Less Than Expected; UK Services Growth Slows

- Institute for Supply Management (ISM): The US services sector expanded more than forecast in January as companies boosted hiring by the most in three years. The ISM's non-manufacturing index increased to 54 from 53 the previous month, the strongest since November 2010.
- ADP Research Institute: Private US companies added 175,000 workers to payrolls last month, following a revised 227,000 rise in December and lower than the median forecast of 185,000.
- Markit Economics: UK services grew at its slowest pace in seven months in January as new businesses cooled. An index based on a survey of purchasing managers showed a decline to 58.3 from 58.8, lower than the estimate of 59.

US Stock Market

- US stocks barely budged as investors await a key jobs report coming out by the end of the week. The Dow has fallen 7% year-to-date, fuelling speculations of a correction or typically a drop of 10% or more. (Dow Jones -0.03% 15,440.23; NASDAQ -0.50% 4,011.55; S&P 500 -0.20% 1,751.64)

Asian Stocks

- Asian stocks struggled to sustain strength after a disappointing ADP reading on private jobs data. The MSCI Asia-Ex Japan Index shed 0.38% or 1.92 points to close at 509.25.

Emerging Markets

- Emerging-market stocks slipped after weaker-than-expected private jobs data in the US. The MSCI Emerging Markets Index lost 0.13% or 1.18 points to close at 916.56.

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

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