

Daily Matters

February 8, 2018

MARKET INDICATORS

As of February 7, 2018

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEI	8,667.56	117.14	1.37%
Dow Jones	24,893.35	-19.42	-0.08%
S&P500	2,681.66	-13.48	-0.50%
Nasdaq	7,051.98	-63.9	-0.90%
MSCI Asia ex-Japan	712.38	-3.95	-0.55%
MSCI Emerging Market	1,173.38	-2.8	-0.24%
5Yr FXTN	4.9	4 bps	
10 Yr US Treasury	2.84	3 bps	
USD/PHP	51.13	-0.3	-0.58%

Source: Bloomberg



News in the Philippines

BSP Chief faces first major test

- BSP Chief Espenilla faces his first major test of striking a balance between curbing inflation and calming the financial market. Inflation being at its highest in more than three years, the currency is under pressure and there has been wild movement in the financial markets.

Local Bond Market

- The performance of the 5yr bond finished ended at 4.90 bps with most of the yields performing very well (10 yields rising; 1 yield falling). BSP has eased the rule to allow banks to place more funds under TDF. Market players actively vied for the 28-day term deposits; demand reached P51.43 billion against a P20-billion offering, with banks asking for returns ranging from 2.75-3.125%.

Philippine Stocks

- The Philippine stock market rebounded after seeing a window of opportunity for bargain hunters. A growing anticipation that BSP will hike rates earlier as the CPI (consumer price index) reached the upper limit of their range. The PSEI recovered 117.14 points or 1.37% to close at 8,667.56, taking its cue from the recovery of stocks in Wall Street overnight.

Philippine Peso

- The Philippine currency and benchmark stock index gained after yesterday's trade following an Asia shares rally as it closed at Php 51.13. Investors also scouted for opportunities of buying outside PSEI stocks. The local peso has lost more than 2% this year, the worst-performing currency in emerging markets after the Argentine peso.



News around the World

MBA: Mortgage refinance apps increase from week before

- Mortgage Bankers Association released the data that shows an increase of 0.7% on mortgage applications. An unadjusted basis, the index increased 4% from last week. The MBA reported interest rates for 30-year fixed-rate mortgages with conforming loan balances (\$453,100 or less) increased from 4.41% to 4.5%, the highest level since April 2014.

US Market

- The US stock market ended on the lower side after failing to defend intraday gains, due to investors struggling to adjust to an environment marked by rising yields and signs of inflation. Dow Jones ended at 24,893.35 or -19.42 points with -0.08%; S&P500 finished off at 2,681.66 or -13.48 points with -0.50% and the Tech Savvy Nasdaq ended at 7,051.98 or -63.9 points with -0.90%.

Asian Stocks

- Asian stock markets ended the trade on the downside, with large-cap Chinese stocks turning sharply lower and gains crimped in markets such as Hong Kong. The MSCI Asia ex-japan ended the trade at 712.38 or -3.95 points with -0.55%.

Emerging Markets

- Emerging stocks rode a stabilization in global stocks on to pull out of their heaviest slump in almost two years, though the dollar was gradually reapplying the pressure to the most heavily traded currencies. The MSCI Emerging Market finished off at 1,173.38 or -2.8 with -0.24%.

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