



# Daily Matters

February 13, 2018

## MARKET INDICATORS

As of February 12, 2018

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	8,487.91	-15.78	-0.19%
Dow Jones	24,601.27	410.37	1.70%
NASDAQ	6,981.96	107.47	1.56%
S&P500	2,656.00	36.45	1.39%
MSCI Asia ex-Japan	701.83	5.33	0.77%
MSCI Emerging Market	1,153.37	10.52	0.92%
5Yr FXTN	4.94	3 bps	
10 Yr US Treasury	2.86	1 bps	
USD/PHP	51.93	0.43	0.83%

Source: Bloomberg



## News in the Philippines

### January Inflation Climbs to 4% Due to Profiteering

- Inflation rate in January reached 4%, surpassing a three-year high record. According to a statement from the Department of Finance (DOF), this is due to profiteering by traders taking advantage of higher excise tax rates implemented as part of the new tax law. Moreover, Finance Undersecretary Karl Kenrick Chua, blamed certain retailers who imposed excessive price adjustments causing the inflation rate to spike. DOF expects prices to normalize when the markets adjust and with the government's implementation of closer monitoring of businesses to control unreasonable price raises.

### Local Bond Market

- The yield of the benchmark 5-year bond closed at 4.94, rising at 3 bps during yesterday's session.
- The yields of bonds were mostly stagnant throughout yesterday's session with 3 yields rising, 3 yields falling and 5 yields stagnant.

### Philippine Stocks

- The local bourse weakened on Monday due to fears stemming from the recent global market instability. The decline was experienced by most counters, particularly by mining/oil. After yesterday's session, the financial counter was the only one posting gains. PSEi slipped 0.19% or 15.78 points landing at 8,487.91 at market's close.

### Philippine Peso

- The local peso fell to an 11-year low on Monday despite equity markets correcting on the hopes of a tighter US Federal Reserve interest rates. The peso closed the day at PHP 51.93.



## News around the World

### China's New Loans Reaches 2.9 Trillion Yuan in January

- China's new loans reached 2.9 trillion yuan in January not only exceeding forecasts but also growing five times larger than the size of extended loans in December last year. With this, policymakers aim to support solid economic growth while controlling debt risks. According to Reuter's, analysts estimated that new loans would only reach 2 trillion yuan during the first month of the year. January new loans set the new record by exceeding January 2016's record of 2.51 trillion yuan. Companies and households had the biggest demand for credit with company loans reaching 1.78 trillion yuan and 901.6 billion yuan, respectively. In addition to supporting China's economic growth, it is also likely to support liquidity globally.

### US Market

- US markets regained strength after Monday's session recovering from its worst week in two years. The S&P 500 ended 2,656.00 rose 1.39% or 36.45 points. The Dow Jones climbed 410.37 points or 1.70% to end at 24,601.27. The NASDAQ rose 107.47 points or 1.56% to close at 6,981.96.

### Asian Stocks

- Asian markets bounced back on Monday due to Wall Street advanced during its last session. The MSCI Asia-Ex Japan Index went up 0.77% or 5.33 points to close at 701.83.

### Emerging Markets

- Emerging market stocks shook off a seven-day losing streak yesterday and mirrored gains in steadying developed markets. Also, South African markets rose in anticipation of a decision on President Jacob Zuma's case. The MSCI Emerging Markets Index rose 0.92% or 10.52 points, closing at 1,153.37.

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