

Daily Matters

February 14, 2017

MARKET INDICATORS

As of February 13, 2017

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,294.67	59.46	0.82%
Dow Jones	20,412.16	142.79	0.70%
S&P500	2,328.25	12.15	0.52%
Nasdaq	5763.96	29.83	0.52%
MSCI Asia ex-Japan	559.56	2.45	0.44%
MSCI Emerging Market	935.45	5.29	0.57%
5Yr FXTN	3.88	0.05	
10 Yr US Treasury	2.44	3 bps	
USD/PHP	49.93	2 bps	0.04%

Source: Bloomberg

NEWS IN THE PHILIPPINES

BMI: strong economy to fuel lending

- According to the BMI Research, the economy will sustain a double-digit loan growth among the Philippine banks this year but with a slight credit risk. The local lenders are to benefit from above 6% expansion which will increase borrowing.
- Forecasted loan growth come in at 17.0% in 2017, revised up from 15.0% previously and GDP expanded by 6.8% in 2016, close to the government's 6-7% goal.

Local Bond Market

- The yield of the benchmark 5-year bond closed at 3.88% with 4.61 bps.
- The Government raised P10.36B from its auction of T-Bills despite some strong demands from banks for higher returns due to market cautiousness and closed at only 3.88%.

Philippine Stocks

- The Local Stocks pulled up due to the rise in the US markets, as it moved up by 0.82% or 59.46 points to close at 7,294.67. An increase in oil prices supported energy shares and investors became a bit positive about President Donald J. Trump's economic agenda.

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Philippine Peso

- The Philippine peso fell against the US dollar yesterday as investors were on a wait-and-see mode for the US administration's admission of its "phenomenal" tax reform plan amidst lack of leads and closed at Php 49.93.
- The local peso dropped due to a gamble of a more fiscal stimulus under the Trump administration and as a reaction to the peaceful meeting between US President and Japanese Prime Minister.

NEWS AROUND THE WORLD

China's yuan weakens, money rates mixed after cbank resumes open market ops

- The People's Bank of China released an official midpoint rate at 6.8898 per dollar and was said to be their weakest level in 4 weeks. According to the latest China Foreign Exchange Trade System (CFETS), the data showed that the index for the yuan's value was unchanged at 94.03 on Friday compared with a week earlier.

US Stock Market

- U.S. stocks soar to new record highs Monday as investors remained bullish on President Donald Trump's economic agenda. The Dow Jones industrial average rose 142.79 points at 0.70%, Goldman Sachs contributing the most gains. The S&P 500 gained 0.52% with 12.15 points and Nasdaq finishing off at 0.52% with 29.83 points

Asian Stocks

- Asian stocks rose after Wall Street indexes finish the week at record highs. US President Trump's change of approach to agree to honour the "one China" policy, and his tax reform plans also boosted sentiment. The MSCI Asia-Ex Japan Index advanced by 2.45 points or 0.44%, closing at 559.56.

Emerging Markets

- Emerging market sentiments was lifted after US president did not mentioned any currency policy or measures during his weekend meetings with Japanese Prime Minister Shinzo Abe. With this, Russian rouble rose leading other emerging currencies. The MSCI Emerging Markets Index closed 057% or 5.29 points to close at 935.45.

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

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