

Daily Matters

February 20, 2018

MARKET INDICATORS

As of February 19, 2018

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	8,710.22	97.78	1.14%
Dow Jones	25,219.38	19.01	0.08%
S&P500	2,732.22	1.02	0.04%
Nasdaq	7,239.46	-16.97	-0.23%
MSCI Asia ex-Japan	728.44	2.43	0.33%
MSCI Emerging Market	1,201.04	1.31	0.11%
5Yr FXTN	4.96	1 bp	
10 Yr US Treasury	2.87	0	
USD/PHP	52.45	0.22	0.43%

Source: Bloomberg



News in the Philippines

Monetary policy “too loose” after cut in bank reserves

- **Bangko Sentral ng Pilipinas:** the decision to cut reserve levels strengthens the case for a rate hike the soonest as keeping ultra-loose policy would leave the peso too weak. The BSP announced a 1% point cut in the 20% reserve requirement ratio (RRR) imposed on universal and commercial bank. The said change will allow the bank to focus on “auction based” instruments in influencing market rates.

Local Bond Market

- The performance of the 5yr bond finished off at 4.96 bps with a mix on the performance of the yields (6 yields rising and 5 yields falling). The total amount of outstanding government-issued IOUs as of end-January declined to P4.43 trillion as the BTR only partially awarded or rejected bids for most of the debt paper offered that month due to higher rates.

Philippine Stocks

- The Philippine stock market was off to a very good start as the trading was held at their new headquarters at BGC, as it extended its rally to its 5th straight day. The PSEi rallied to the 8,700 mark in line with mostly firmer regional markets; advanced by 97.78 points or 1.14 percent to close at 8,710.22.

Philippine Peso

- The local peso suffered its lowest levels in 12 years against the dollar after the Bangko Sentral ng Pilipinas' surprise cut of the reserve ratio requirement (RRR) for banks that would add more money to the system. A “dovish” central bank being perceived by market and the peso is expected to settle at the P52 level this year as the government's P8-trillion infrastructure program drives demand for imports. The Philippine Peso closed at Php 52.45.



News around the World

The State of the Nation: GDP remains on growth path

- **Bank Negara Malaysia:** released economic statistics shows a significant slowdown in exports and industrial production in December. The bank is expected to release the 4Q 2017 gross domestic product growth rate. Bloomberg consensus sees an average 4Q 2017 forecast of 5.3% while the full-year estimate is 5.7%, representing the higher end of the official forecast of 5.2% to 5.7%.

US Market

- The US Market futures were trading lower on Monday, reversing Friday's mostly upbeat action. The stock markets and the bond market are closed for the holiday, and there are no economic releases expected, as federal agencies are shuttered. (Dow Jones ended at 25,219.38 or 19.01 points with 0.08%; S&P500 at 2,732.22 or 1.02 points with 0.04%; Tech Savvy Nasdaq closed at 7,239.46 or -16.97 points with -0.23%)

Asian Stocks

- Asia shares ex-Japan rose 0.5%, while Wall Street gained marginally. Shares in Singapore and the Philippines rose 1%, led by financials, as equity markets in the region followed a global recovery after recent volatility that stemmed from concerns over rising inflation. The MSCI Asia ex-japan ended the trade at 728.44 or 2.43 points with 0.33%.

Emerging Markets

- Emerging stocks tore their way slightly higher on Monday's trade though currencies that came under some pressure after the dollar found its footing. The Stocks were on the mix on a country-by-country level; trading was thin with many bourses across Asia. The MSCI Emerging Market finished off at 11,201.04 or 1.31 points with 0.11%.

The content on this material is provided for information purposes only and should not be considered as investment advice. This document is not a solicitation or an offer to buy or sell any securities or related financial products. While this document was prepared with reasonable care, no guarantee is given as to the accuracy and completeness of the information herein. Information and/or views contained herein are for information only and based on data that ATR Asset Management (ATRAM) has researched. However, ATRAM does not represent that the information and/or views are accurate or complete, and these should not be relied upon as such. Any person receiving this document must make his/her own investigation and satisfy him-/herself as to the accuracy and completeness of the information and/or views. Any information or opinion expressed in this document is subject to change without prior notice. This document may not be reproduced or distributed without written consent from ATR Asset Management.