

Daily Matters

February 22, 2018

MARKET INDICATORS

As of February 21, 2018

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	8,613.65	-109.05	-1.25%
Dow Jones	24,797.78	-166.97	-0.67%
S&P500	2,701.33	-14.93	-0.55%
Nasdaq	7,218.23	-16.08	-0.22%
MSCI Asia ex-Japan	734.21	9.19	1.27%
MSCI Emerging Market	1,209.67	15.14	1.27%
5Yr FXTN	5.12	9 bps	
10 Yr US Treasury	2.95	6 bps	
USD/PHP	52.09	-0.18	-0.34%

Source: Bloomberg



News in the Philippines

Inflation impact on new tax law minimal, says DOF

- Department of Finance confirmed that the newly ratified tax reform law may raise inflation by 0.7 percentage points on its first year due to higher oil prices. DO's estimate was in line with the figures of BSP and NEDA and supported by historical trends.

Local Bond Market

- The local bond market ended with a mixed of the yields performance with 7 yields rising and 4 yields falling. Bangko Sentral ng Pilipinas (BSP) has raised the amount of cash it draws off the market weekly to its highest level since November 2017.
- The Central Bank made an award of Php 110 billion for all three tenors of its TD facility, which is used to deposit idle cash in exchange for a fixed yield for financial institutions.

Philippine Stocks

- The local stock market fell tightly as investors braced for an uptick in local inflation and interest rates as it shed 109.05 points or 1.25% to close at 8,613.65. Market players are on the watch for the US Federal Reserve's policy meeting on March 21 and the Bangko Sentral ng Pilipinas' (BSP) monetary setting on March 22.

Philippine Peso

- The Philippine Peso improved against the US dollar for the second-day as dealers take profit while the Philippine Stock Exchange index (PSEi) ended its five-day rally. Also, the appreciation bore the brunt of concerns about a wider budget deficit in the United States. The local peso closed at Php 52.09.



News around the World

US flash manufacturing PMI index rises in February

- US PMI Index: The seasonally adjusted IHS Markit Flash manufacturing PMI rose to 55.9 from 55.5, indicating towards the most rapid improvement in overall business conditions since October 2014. A acceleration in incoming new business aided in boosting the headline PMI, while manufacturing production growth was little-changed since January.

US Market

- US Stock market rally vaporizes as 10-year yield climbs to 2.95%. A rally on one of the major indexes withered as Wall Street struggled to interpret minutes from the Fed Reserve's meeting. Dow Jones at 24,797.78 or -166.97 points with -0.67%; S&P500 at 2,701.33 or -14.93 points with -0.55% and Nasdaq ended at 7,218.23 or -16.08 points with -0.22%.

Asian Stocks

- The Hang Seng index ended firmer after yesterday's trade, tracking gains in Asian markets and ahead of the reopening of mainland China markets. The stocks which lost 0.2% in early trade, recovered to rise as much as 0.7%. MSCI Asia ex-japan ended the trade at 734.21 or 9.19 points with 1.27%.

Emerging Markets

- Emerging equities rose almost 1% while South Africa's rand held steady as investors awaited Finance Minister Malusi Gigaba's first budget under new President Cyril Ramaphosa. The MSCI's benchmark appreciated by strong gains in some Asian markets, still catching up after the Lunar New Year holidays. The MSCI Emerging Market finished off at 1,209.67 or 15.14 points with 1.27%.

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