

Daily Matters

March 3, 2017

MARKET INDICATORS

As of March 2, 2017

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,234.94	64.24	0.90%
Dow Jones	21,002.97	-112.58	-0.53%
S&P 500	2,381.92	-14.04	-0.59%
NASDAQ	5,861.22	-42.81	-0.70%
MSCI Asia ex-Japan	564.50	-0.15	-0.03%
MSCI Emerging Market	936.37	-2.10	-0.22%
5 Yr FXTN	4.01	2 bps	
10 Yr US Treasury	2.48	3 bps	
USD/PHP	50.37	0.07	0.14

Source: Bloomberg

NEWS IN THE PHILIPPINES

State spending pushes deficit closer to government plans

- Bureau of the Treasury: The Duterte administration ramped up spending to spur economic growth towards the end of last year. Data released yesterday showed that the government acquired a PHP 353.422 billion deficit last year which is equal to 2.4% of the country's GDP, the highest since 2010. The fiscal expenditure that occurred last year was driven by the administration's commitment to spend more than its predecessor, especially on infrastructure.

Local Bond Market

- The yield of the benchmark 5-year bond fell by 2 bps and closed at 4.01.
- The local fixed income securities had a negative reaction day-on-day, as markets continue to react to President Donald J. Trump's address to Congress. 6 yields were negative while 3 were positive and 2 remained stagnant.

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Philippine Stocks

- Local equities rebounded during Thursday's session as investors tracked Wall Street's major overnight rally. The PSEi closed at 7,234.94 on Tuesday gaining 64.24 points or 0.90%.

Philippine Peso

- The peso slipped against the dollar once again after Thursday's session closing at 50.37, another 10-year low. The slip was triggered by hawkish hike comments from the Fed.

NEWS AROUND THE WORLD

US Initial Jobless Claims drops to lowest in 44 years, Eurozone Inflation above target

- According to figures released yesterday, US Initial Jobless Claims fell by 19,000 last week to end at 223,000. The decline was the largest this year and shows that employers are keeping dismissals at a minimum as the labor market stays tight. This figure marks 104 straight weeks of claims below the 300,000 level that economists believe is consistent with a healthy labor market.
- Eurozone inflation has risen above the European Central Bank (ECB) target rate for the first time in four years. According to numbers released yesterday, inflation hit 2% in February, up from 1.8% in January. This is the highest rate since January 2013 and is supposedly due to rising energy prices within the region.

US Stock Market

- US stocks closed lower during Thursday's session as Banks and other financial companies fell the most. The Nasdaq Composite Index closed at 5,861.22 which was 42.81 points or 0.70% lower than yesterday's session. The Dow Jones Industrial Average fell as well, closing at 21,002.97 or 0.53% which is 112.58 points. Meanwhile the Standard & Poor's 500 Index shed 14.04 points or 0.59% to end at a close of 2,381.92.

Asian Stocks

- Asian equity indices closed mostly higher as investors wait for the Fed to decide on rates. The MSCI Asia-Ex Japan Index fell 0.03% or 0.15 points to close at 564.50.

Emerging Markets

- Emerging market equities fell slightly after also awaiting the Fed's decision on rates. The MSCI Emerging Markets Index fell 0.22% or 2.10 points, closing at 936.37.

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

Prepared by:

ATR Asset Management

Tel: +63 (2) 8481381; Fax: +63 (2) 8410315

Website: www.atram.com.ph



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