

MARKET INDICATORS

As of March 15, 2017

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,253.79	-7.96	-0.11%
Dow Jones	20,950.10	112.73	0.54%
Nasdaq	5,900.05	42.23	0.74%
S&P500	2,385.26	19.81	0.84%
MSCI Asia ex-Japan	570.34	0.53	0.09%
MSCI Emerging Market	943.52	3.55	0.38%
5Yr FXTN	4.48	18 bps	
10 Yr US Treasury	2.49	11 bps	
USD/PHP	50.33	-0.01	-0.03%

Source: Bloomberg

Daily Matters

MARCH 16, 2017


News in the Philippines

BSP orders banks to install system vs suspicious accounts

- Bangko Sentral ng Pilipinas has instructed all banks to place a system to detect unusual and suspicious accounts as part of the efforts to fight money laundering and terrorist financing. Memorandum 2017-99 was issued reminding all banks about their dealings with money service business (MSB) based on the Manual of Regulations for Banks and M-2016-004 issued in April last year. Banks should only be dealing with registered foreign exchange dealers, money changers, as well as remittance and transfer companies.

Local Bond Market

- The yield of the benchmark 5-year bond closed at 4.48 with 17.61 bps.
- The yields of bonds mostly fell with 7 yields falling and only 4 yields rising, with the demand for the week-long term deposits recovering, as market players expect the US Federal Reserve to raise rates this week.

Philippine Stocks

- Stocks were still on the red as the market is anticipating on the said interest rate hike by the US Federal Reserve as it ends its policy review. The PSEi dipped 0.11% or 7.96 points to 7,253.79. The broader all shares index dropped 0.21% or 9.51 points to 4,373.82. The hike was encouraged by strong monthly job gains and confidence that inflation is finally rising to its target.

Philippine Peso

- The local peso traded flat against the US dollar as market players are awaiting the conclusion of the Fed meeting as it closed at Php 50.33. There was a little movement as everyone is waiting for FOMC.



News around the World

US MBA Mortgage market data report week ending 10 March 2017

- According to Mortgage Bankers Association, mortgage application volume increased 3.1% during the week ended March 10. This is due to Federal Reserve indicating that they will more than likely increase short-term interest rates at its meeting. Total mortgage application volume rose 3.1% last week, the seasonally adjusted tally from MBA remains 12% lower than a year ago.

US Market

- U.S. stocks scaled higher on Wednesday as the Federal Reserve raised interest rates for the third time since December 2015. The Fed increased its benchmark interest rate by 25 basis points, noting that headline inflation is "moving close" to its 2% target. (S&P 500 at 2,385.26 with 0.84%; Nasdaq at 5,900.05 with 0.74% and Dow Jones at 20,950.10 with 0.54%)

Asian Stocks

- Asian equity indices slipped after the trade as investors took profits before a US central bank policy meeting. With the said move, it can signal how much monetary tightening the market is to expect during the remainder of the year. The MSCI Asia-Ex Japan Index dropped 0.09% or 0.53 points to close at 570.34.

Emerging Markets

- Emerging markets have eased off 19-month highs on growing expectation the Fed will raise rates more than twice this year, while the Indian rupee outperformed for the second day, racing to new 16-month highs. The MSCI Emerging Markets Index rose 0.38% or 3.55 points, closing at 943.52.