



Daily Matters

March 22, 2018

MARKET INDICATORS

As of March 21, 2018

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,909.07	-150.53	-1.87%
Dow Jones	24,682.31	-44.96	-0.18%
NASDAQ	7,345.28	-19.02	-0.26%
S&P500	2,711.93	-5.01	-0.18%
MSCI Asia ex-Japan	740.69	-2.83	-0.38%
MSCI Emerging Market	1,209.62	-0.27	-0.02%
5Yr FXTN	5.34	-15 bps	
10 Yr US Treasury	2.88	-1 bp	
USD/PHP	52.12	0.04	0.08%

Source: Bloomberg



News in the Philippines

Longer-dated BSP TDF undersubscribed

- Banks are losing interest in longer-dated Term Deposit Facility (TDF) for the first time this year after the 14- and 28-day TDF were undersubscribed with P35.9B bid out of P40B offer and P19.9B bid out of P20B offer respectively, leaving only the 7-day TDF oversubscribed with P72.2B bid out of P50B billion offer. Financial institutions are careful of committing in longer-dated Bangko Sentral ng Pilipinas (BSP) liquidity tool as they keep a close watch on today's Central Bank's policy setting.

Local Bond Market

- The yield of the benchmark 5-year bond went down and finished off at 5.34 bps.
- The successful three-year Panda bond sale which raised 1.46B renminbi paved way to possibilities of issuing more offshore bonds. Budget Secretary Benjamin E. Diokno said that the government is exploring on issuing Japanese bonds and OFW bonds, which are lined up for this year.

Philippine Stocks

- Local stocks fell below 8,000 level, remaining on the correction territory. Market watchers were cautious ahead of expected US Federal Reserve's decision on tightening monetary policy and the result of Bangko Sentral ng Pilipinas' (BSP) policy meeting today. PSEi further slid by 1.87% or 150.53 points to end the day at 7,909.07.

Philippine Peso

- The local peso appreciated against the greenback during yesterday's session due to disappointment in foreign exchange market when US Federal Reserve announced a total of three rate hikes this year, instead of four. The peso closed the day at PHP 52.12.



News around the World

US Federal Reserve raised short-term interest rates by 0.25%

- With a strengthened economic outlook, Federal Reserve officials led by new Chairman Jerome Powell met market expectations when they raised short-term interest rates by 0.25% on Wednesday, making new benchmark funds rate at 1.75%. US Fed cited they were seeing a total of three rate gradual hikes in 2018, following strong job numbers and inflation keeping up within the 2% target.

US Market

- The yield of the benchmark 10-year US Treasury slightly went down and ended at 2.88 bps.
- US stocks were negatively affected by Fed's decision on raising interest rates. The Dow Jones lost 44.96 points or 0.18% ending at 24,682.31. The S&P 500 went down by 5.01 points or 0.18% to close at 2,711.93. The NASDAQ fell 19.02 points or 0.26% ended at 7,345.28.

Asian Stocks

- The MSCI Asia-Ex Japan Index went down by 0.38% or 2.83 points to close at 740.69 following Wall Street losses.

Emerging Markets

- The MSCI Emerging Markets Index slightly slipped by 0.27 points or 0.02% closing at 1,209.62. Retaliation concerns over Trump administration's plan on imposing sanctions on China brought a shaky market scene on emerging stocks.

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 (ATR) 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.