

MARKET INDICATORS

As of May 29, 2017

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,886.03	18.54	0.24%
Dow Jones	21,080.28	-2.67	-0.01%
NASDAQ	6,210.19	4.94	0.08%
S&P500	2,415.82	0.75	0.03%
MSCI Asia ex-Japan	621.17	0.12	0.02%
MSCI Emerging Market	1,015.19	-1.81	-0.18%
5Yr FXTN	4.13	-1 bps	
10 Yr US Treasury	2.25	0 bps	
USD/PHP	49.79	0.02	0.04%

Source: Bloomberg



News in the Philippines

Work starts on 2nd tax reform package

- Department of Finance (DoF) – After Malacanang moved to expedite the approval of the first package within Congress, the Department of Finance has begun readying the second package of tax reforms for submission in the fourth quarter. The plan is set to keep in line with expectations regarding a massive infrastructure push within the next five years and the bid to expedite approval ensures it will be adequately funded. The second package will focus mainly on a cut on corporate income tax, to encourage companies to spend more as well as to improve the country's attractiveness for foreign investors both aesthetically and economically. The supposed 'revenue-neutral' second tax reform package also would rationalize fiscal incentives to plug revenue leaks. The draft of the package is expected to be submitted to Congress in the fourth quarter of this year.

Local Bond Market

- The yield of the benchmark 5-year bond closed at 4.13, falling 1 bps from yesterday's session.
- The yields of bonds traded mostly flat throughout Monday's session with 4 yields falling, 2 yields rising, and 5 yields remaining stagnant.

Philippine Stocks

- Local stocks closed in the green yesterday as investors dressed their portfolios for the month's end. The PSEI gained 0.24% or 18.54 points to end the day at 7,886.03.

Philippine Peso

- The local peso weakened against the US Dollar as the market stayed quiet throughout the day. Market players are waiting to see job data from the US that will be released later this week. The peso closed the day at PHP 49.79.



News around the World

Japan's jobless rate holds at 23-year low

- Data released yesterday showed that Japan's unemployment rate for the month of April held at a multi-decade low. The jobless rate held at 2.8% for April, the lowest since June of 1994. Furthermore, Japan's jobs-to-applicant's ratio rose to 1.48 in April from 1.45 in March. This means that 1.48 vacancies are available for each person seeking a job. The reason for the steady rise is said to be due to a shortage of workers and a significant increase in the activity of the construction and services industries. The increase gives hope to that a tight labor market could bring a turnaround for the weak consumer spending that the country is experiencing.

US Market

- U.S. stocks were closed on Monday as they celebrated Memorial Day, however, investors will be preparing for economic data releases later this week. The S&P 500 ended Friday at 2,415.82 rising 0.03% or 0.75 points. The Dow Jones on Friday fell 2.67 points or 0.01% to end at 21,080.28. The NASDAQ on Friday gained 4.94 points or 0.08% to close at 6,210.19.

Asian Stocks

- Asian equity indices slightly fell yesterday as low volumes from the lack of trading in the UK and US limited price movements. The MSCI Asia-Ex Japan Index gained 0.02% or 0.12 points to close at 621.17.

Emerging Markets

- Emerging markets ended the day lower as investors await US economic data releases. The MSCI Emerging Markets Index fell 0.18% or 1.81 points, closing at 1,015.19.