

Daily Matters

June 10, 2014

MARKET INDICATORS

As of June 9, 2014

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	6,802.73	40.11	0.59%
Dow Jones	16,943.10	18.82	0.11%
S&P 500	1,951.27	1.83	0.09%
NASDAQ	4,336.24	14.84	0.34%
MSCI Asia ex-Japan	575.07	1.98	0.35%
MSCI Emerging Market	1,048.96	4.03	0.39%
5 Yr FXTN	3.33	2 bps	
10 Yr US Treasury	2.60	2 bps	
USD/PHP	43.59	-0.04	-0.08%

Source: Bloomberg

NEWS IN THE PHILIPPINES

Agencies to Step-Up Spending; Gov't Finalizing P2.6-T 2015 Budget

- Budget Secretary Florencio B. Abad yesterday said that it is set to meet with various implementing agencies this week in order to speed up government spending. Government spending was behind in April and reported that public spending totaled PHP143.597 Bio in April, 6% less than the PHP153.207 Bio spent in the same month in 2013.
- Department of Budget and Management (DBM): The government' is on track in finalizing next year's national budget, which is estimated at around P2.6 trillion, 15% higher than this year's P2.26 trillion budget. The budget is earmarked for rehabilitation projects in the typhoon-ravaged areas, as well as programs which aim to create a more inclusive economic growth. The budget is slated for an end-July submission to the national Congress.

Local Bond Market

- The yield of the benchmark 5-year bond added 2 bps to close at 3.32%.
- The yields of bonds mostly increased with 7 issues rising, 2 losing and 3 tenors unchanged.

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 KimEng Asset Management (ATRAM) 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 KimEng Asset Management.

Philippine Stocks

- Local stock prices rose on the first day of the week alongside other Asian stocks to push the main index back into the 6,800 territory. Regional markets rode on the strength of Wall Street's ascent last Friday. The Philippine Stock Exchange index (PSEi) climbed 0.59%, or 40.11 points, to close at 6,802.73. Marked breadth was positive, as gainers outpaced losers 98 to 73 while 47 other stocks were unchanged.

Philippine Peso

- The Philippine Peso strengthened against the dollar on Monday to reach a seven-month high, after recently released U.S and China economic data assured investors of a strong global economic recovery. The local currency closed at P43.585 to the dollar, 65 pips lower than its previous close of P43.650 last Friday. It reached as much as P43.51 during intraday deals, its strongest since the P43.20-to-the-dollar finish of November 8, 2013.

NEWS AROUND THE WORLD

China's Consumer Prices Rise in May; Japan GDP Revised Higher; U.S Adds 217k Jobs

- China National Bureau of Statistics: China's consumer-price index (CPI) rose 2.5% in May from a year earlier, higher than the 2.4% estimate of economists. The increase in consumer inflation was mainly due to rising food costs. Inflation remained below the government's 3.5% target, leaving opportunity for further monetary easing to occur in the Asian nation. Meanwhile, the producer prices in China fell 1.4% on year in May, compared with forecasts of a decrease of 1.5%. The fall in the producer price index (PPI) prompted concerns over the world's second-largest economy facing deflationary pressures.
- Japan Cabinet Office: The reading for Japan's Gross Domestic Product (GDP) for the first quarter was revised to 6.7%, up from the initial estimate of a 5.9% expansion by the government. The upward revision was largely facilitated by the sharply higher level of capital spending than initially thought. It also implied that the nation's economy is in healthy financial state to weather a decline in consumption from the recent sales tax hike.
- U.S Bureau of Labor Statistics: Total nonfarm payroll employment rose by 217,000 in May, modestly higher than the 215,000 forecast of economists. Employment increased mostly in professional and business services, health care, social assistance and transportation. The unemployment rate, a drawn from a different survey of households, remained unchanged at 6.3%.

US Stock Market

- US stocks advanced higher into record territory on Monday, due to a flurry of major acquisition and merger deals. Share prices also rose on account of investor's optimism for the U.S economic outlook following the employment report.
- (Dow Jones 0.11% 16,943.20; NASDAQ 0.34% 4,336.24; S&P 500 0.09% 1,951.27)

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 KimEng Asset Management (ATRAM) 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 KimEng Asset Management.

Asian Stocks

- Asian stocks climbed higher on Monday, after positive data on U.S employment and China's exports strengthened the outlook for the global economy.
- The MSCI Asia-Ex Japan Index advanced 0.35% or 1.98 points to close at 575.07.

Emerging Markets

- Emerging markets stocks also rose on account still of China's strong trade data. Brazil's stocks increased the most, as higher commodity prices boosted outlook for the nation's raw-material exporters.
- The MSCI Emerging Markets Index increased 0.39%, or 4.03 points, to close at 1,048.96.

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

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 KimEng Asset Management (ATRAM) 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 KimEng Asset Management.