

Daily Matters

June 11, 2014

MARKET INDICATORS

As of June 10, 2014

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	6,777.98	-24.75	-0.36%
Dow Jones	16,945.92	2.82	0.02%
S&P 500	1,950.79	-0.48	-0.02%
NASDAQ	4,338.00	1.76	0.04%
MSCI Asia ex-Japan	579.52	4.45	0.77%
MSCI Emerging Market	1,057.59	8.63	0.82%
5 Yr FXTN	3.33	-	
10 Yr US Treasury	2.64	4 bps	
USD/PHP	43.73	0.14	0.31%

Source: Bloomberg

NEWS IN THE PHILIPPINES

Unemployment Eases in April; April Exports Up 0.8%; Net FDI Inflows Surge 80%

- Philippine Statistics Authority (PSA): Results from the latest Labor Force Survey (LFS) showed that employment improved in April as more Filipinos found work in the service and industry sectors. The jobless rate eased to 7% from 7.6% a year earlier, or equivalent to 2.9 million jobless Filipinos in April, down from three million during the same month last year. The employment rate climbed to 93% from 92.4% a year ago, totalling to 38.7 million employed Filipinos and up from 37 million.
- PSA: Merchandise exports barely budged in April as shipments of electronic products and other manufactured goods fell. Around \$4.54 billion worth of goods were shipped out during the month, increasing by just 0.8% from the revised value of \$4.51 billion a year earlier. The growth lodged in April was substantially weaker than the 11.6% and 12.4% gains recorded in February and March, respectively. For the four month period, exports increased by 5.4% to \$18.86 billion but still slowed from March's 6.5%.
- Bangko Sentral ng Pilipinas (BSP): Net foreign direct investments (FDI) surged by nearly 80% in March from a year ago as investors continued to favour the country as an investment destination. Net FDI inflows jumped by 78.5% to \$476 million from the \$266 million recorded last year. The bulk of the FDI was composed of non-resident's equity capital investments, which garnered net inflows of \$278 million in March and substantially higher than last year's value of \$38 million.

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Local Bond Market

- The yield of the benchmark 5-year bond was unchanged at 3.33%.
- The yields of bonds ended mostly lower with 6 yields falling, 4 rising, and 2 unchanged.

Philippine Stocks

- The Philippine stock market ended in the red as investors opted to trade cautiously ahead of the central bank's policy meeting next week. The Philippine Stock Exchange index (PSEi) lost 24.75 points, or 0.36% to close at 6,777.98. Market breadth was negative as decliners beat gainers at 105 to 67 while 42 issues were unchanged.

Philippine Peso

- The Philippine peso weakened against the dollar on the back of slower exports and higher U.S. treasury yields. The local currency gained 14 centavos or 0.31% to close at 43.73.

NEWS AROUND THE WORLD

U.S. Job Openings Climb to 7 Year High; China Cuts Reserve Requirements; World Bank Slashes Global Growth Forecast

- U.S. Labor Department: Job openings in the U.S. rose to an almost seven year high in April as employers gathered headcounts to help manage strong demand in a recovering economy. The number of positions waiting to be filled rose by 289,000 to 4.46 million in April, the highest since September 2007.
- People's Bank of China (PBOC): China's central bank decided to cut the reserve requirements for some banks by 0.5 percentage points to encourage lending to smaller companies and agriculture. The change will take effect on June 16, 2014.
- World Bank (WB): The World Bank lowered its global growth forecast amid weaker outlooks for the U.S., Russia, and China while encouraging emerging markets to strengthen their economies before the U.S. decides to increase interest rates. The Washington-based lender projected the world economy to expand by 2.8% compared with the 3.2% projection in January.

US Stock Market

- The U.S stock market ended mixed as the Dow managed to breach a new record high. The S&P broke its five day winning streak. The pause came as no surprise as the U.S. markets endured one of its hottest stretches of the current bull market. (Dow Jones 0.02% 16,945.92; NASDAQ 0.04% 4,338.00; S&P 500 -0.02% 1,950.79)

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Asian Stocks

- Asian stocks ended strong on sustained risk appetite. The MSCI Asia-Ex Japan Index edged higher by 0.77% or 4.45 points to close at 579.52.

Emerging Markets

- Emerging markets shares leaped to a 13 month high on optimism about growth in China and the U.S. The MSCI Emerging Markets Index climbed 0.82% or 8.63 points to close at 1,057.59.

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

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