

MARKET INDICATORS

As of June 13, 2017

| Index/ Bond | Index Level/Yield | DoD Change | DoD % Change |
|----------------------|-------------------|------------|--------------|
| PSEi | 7,917.89 | -72.35 | -0.91% |
| Dow Jones | 21,328.47 | 92.80 | 0.44% |
| NASDAQ | 6,220.37 | 44.90 | 0.73% |
| S&P500 | 2,440.35 | 10.96 | 0.45% |
| MSCI Asia ex-Japan | 630.37 | 3.84 | 0.61% |
| MSCI Emerging Market | 1,009.78 | 0.86 | 0.09% |
| 5Yr FXTN | 4.04 | -3 bps | |
| 10 Yr US Treasury | 2.21 | 0 bps | |
| USD/PHP | 49.55 | -0.04 | -0.08% |

Source: Bloomberg



News in the Philippines

Foreign Direct Investment rises in March

- According to data from the central bank that was released yesterday, Foreign Direct Investment (FDI) to the Philippines rose in the month of March. The country received \$509 million in net FDI flows for the month compared to the \$390 million of foreign investment for March of 2016, a 30.6% jump. The March figure brings the country's first quarter tally to \$1.56 billion, compared to the \$1.337 billion of 2016's first quarter, a 16.6% increase. The sustained flow reflects foreign investors' confidence in the country's economy, specifically the growth prospects and strong macroeconomic fundamentals. Economists believe that the full year tally is expected to beat last year's record \$7.933 billion, provided the positive general sentiment continues to persist.

Local Bond Market

- The yield of the benchmark 5-year bond closed at 4.04, shedding 3 bps from yesterday's session.
- The yields of bonds traded negative throughout Tuesday's session with 9 yields falling, 1 yield rising, and 1 yield remaining stagnant.

Philippine Stocks

- Local stocks closed in the red yesterday as the index shadowed Wall Street's overnight decline. Investors also were said to be profit taking after the market's rise in the recent months. The PSEI shed 0.91% or 72.35 points to end the day at 7,917.89.

Philippine Peso

- The local peso traded lower against the US Dollar as investors stayed on the sidelines ahead of the US Federal Reserve's interest rate decision. The peso closed the day at PHP 49.55.



News around the World

US Federal Reserve expected to hike rates this week

- The United States Federal Reserve this week is expected to enact a quarter point rate hike that would take its benchmark target to between 1% and 1.25%. For the last seven years, the Fed has kept its funds rate near zero, after taking it there during the Global Financial Crisis. However, since December 2015, when the Fed raised rates for the first time since then, the central bank has looked to normalize its policies. Recently, there have been two hikes in two quarters and markets believe a June hike will be the decision.

US Market

- U.S. stocks closed at record highs during yesterday's session even ahead of this week's Federal Reserve's interest rate decision. The S&P 500 ended at 2,440.35 rising 0.45% or 10.96 points. The Dow Jones gained 92.80 points or 0.44% to end at 21,328.47. The NASDAQ climbed 44.90 points or 0.73% to close at 6,220.37.

Asian Stocks

- Asian equity indices gained yesterday as market sentiment remains strong, however investors await the latest Fed decision. The MSCI Asia-Ex Japan Index gained 0.61% or 3.84 points to close at 630.37.

Emerging Markets

- Emerging markets ended the day slightly higher as investors look toward the latest Fed decision. The MSCI Emerging Markets Index gained 0.09% or 0.86 points, closing at 1,009.78.