

## MARKET INDICATORS

As of June 14, 2017

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,966.01	48.12	0.61%
Dow Jones	21,374.56	46.09	0.22%
NASDAQ	6,194.89	-25.48	-0.41%
S&P500	2,437.92	-2.43	-0.10%
MSCI Asia ex-Japan	625.46	0.92	0.15%
MSCI Emerging Market	1,013.69	3.91	0.39%
5Yr FXTN	4.04	0 bps	
10 Yr US Treasury	2.13	-9 bps	
USD/PHP	49.50	-0.05	-0.10%

Source: Bloomberg



## News in the Philippines

### President Duterte stands by the original tax reform version

- President Rodrigo R. Duterte, has decided to stand by the original version of the first of up to five tax reform packages. Congress approved a diluted version of the same Department of Finance (DoF)-backed bill in their first regular session. However according to sources close to President Duterte, he still prefers the original bill submitted to Congress last September. The Finance department said it will persuade Senate to pass the department's version of the bill after the House's version cut projected net revenues from the first package by some P23.4 billion – nearly 15% -- to P133.8 billion in the first year of implementation from the P157.2 billion originally estimated by the department.

### Local Bond Market

- The yield of the benchmark 5-year bond closed at 4.04, trading flat during yesterday's session.
- The yields of bonds traded negative throughout yesterday's session with 7 yields falling, 3 yields rising, and 1 yield remaining stagnant.

### Philippine Stocks

- Local stocks were positive yesterday as investors wait for strong catalysts ahead of the Fed's interest rate decision this week. The PSEI shed 0.61% or 48.12 points to end the day at 7,966.01.

### Philippine Peso

- The local peso traded higher against the US Dollar as investors continued to stay on the sidelines ahead of the US Federal Reserve's interest rate decision. The peso closed the day at PHP 49.50.



## News around the World

### US Federal Reserve Hikes Rates

- The United States Federal Reserve announced a quarter-point rate hike Wednesday, as expected. The new range will be 1 percent to 1.25 percent for a rate that currently is 0.91 percent. The new level would impact most adjustable-rate and revolving debt like credit cards and home equity loans. As soon as the new range is implemented, the prime rate that banks use as a baseline for interest rates usually rises. However expectedly, the Fed hiked rates despite declining inflation. It now believes inflation will fall well short of its 2 percent target this year. This makes three rate hikes in three quarters as the central bank last increased its benchmark rate in March.

### US Market

- U.S. stocks closed slightly negative during yesterday's session as Federal Reserve chair Janet Yellen addressed questions following the central bank's decision to raise rates for the third time in three quarters. The S&P 500 ended at 2,437.92 falling 0.10% or 2.43 points. The Dow Jones gained 46.09 points or 0.22% to end at 21,374.56. The NASDAQ fell 25.48 points or 0.41% to close at 6,194.89.

### Asian Stocks

- Asian equity indices gained yesterday as investors awaited the Fed's decision to raise rates. The MSCI Asia-Ex Japan Index gained 0.15% or 0.92 points to close at 625.46.

### Emerging Markets

- Emerging markets ended the day slightly higher as investors awaited the latest Fed decision. The MSCI Emerging Markets Index gained 0.39% or 3.91 points, closing at 1,013.69.