

# Daily Matters

June 17, 2014

## MARKET INDICATORS

As of June 16, 2014

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	6,758.45	-26.50	-0.39%
Dow Jones	16,781.01	5.27	0.03%
S&P 500	1,937.78	1.62	0.08%
NASDAQ	4,321.11	10.46	0.24%
MSCI Asia ex-Japan	574.75	-0.65	-0.11%
MSCI Emerging Market	1,046.28	-2.86	-0.27%
5 Yr FXTN	3.40	-	
10 Yr US Treasury	2.60	-1 bp	
USD/PHP	43.92	0.13	0.30%

Source: Bloomberg

## NEWS IN THE PHILIPPINES

### Remittances Grow Faster in April

- Bangko Sentral ng Pilipinas (BSP): Remittances grew by 5.2% in April, the highest level recorded since December of last year as money sent home through banks rose to \$1.914 billion from the \$1.819 billion a year earlier. Remittance flows remained robust on the back of sustained demand for skilled Filipino workers. The four-month tally reached \$7.392 billion, up 5.8% from the same period in 2013. The top sources were from the U.S., Saudi Arabia, and the U.K.

### Local Bond Market

- The yield of the benchmark 5-year bond closed flat at 3.40%.
- The yields of bonds were fairly mixed with equal gainers and unchanged yields. Only two yields fell.

### Philippine Stocks

- The Philippine stock market plummeted for a second straight day as investors weighed in on the fears of rising crude prices and ahead of the central bank's policy meeting this week. The Philippine Stock Exchange index (PSEi) dropped 0.39% or 26.50 points to close at 6,758.45. Market breadth was negative as decliners outpaced advances at 95 to 91 while 47 issues were unchanged.

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## Philippine Peso

- The peso closed in on the 44 to a dollar territory as tensions in Iraq dampened the risk appetite for global currencies. The local currency closed 0.30% or 13 cents higher at 43.92.

## NEWS AROUND THE WORLD

### IMF Cuts U.S. Growth Outlook; U.S. Homebuilder Confidence Rises the Most in a Year

- International Monetary Fund (IMF): The IMF slashed its growth forecast for the U.S. economy this year and stated that the Fed can sustain near-zero interest rates longer than investors expect. The world's largest economy is slated to grow 2.0% this year, down from an April estimate of 2.8%. For 2015, the U.S. is projected to grow 3.0%, unchanged from the previous estimate.
- National Association of Home Builders: Confidence among U.S. homebuilders rose in June by the most in almost a year signalling that the U.S. residential real estate market is stabilizing after suffering heavily from a severe winter earlier this year. The sentiment gauge climbed to 49 this month from 45 in May, the biggest gain since July 2013, though readings below 50 indicate a contraction.

### US Stock Market

- US stocks managed to come out with a gain as a slew of M&A activity offset the worsening crisis in Iraq that spooked investors on Wall Street. (Dow Jones 0.03% 16,781.01; NASDAQ 0.24% 4,321.11; S&P 500 0.08% 1,937.78)

### Asian Stocks

- Asian stocks sank after posting a fifth week of gains on conflict in Iraq. The MSCI Asia-Ex Japan Index lost 0.11% or 0.65 points to close at 574.75.

### Emerging Markets

- Emerging market stocks retreated for a fourth consecutive day, the longest slump since January, on escalating violence in Iraq. The MSCI Emerging Markets Index shed 0.27% or 2.86 points to close at 1,046.28.

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

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