

# Daily Matters

June 27, 2014

## MARKET INDICATORS

As of June 26, 2014

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	6,892.18	57.50	0.84%
Dow Jones	16,846.13	-21.38	-0.13%
S&P 500	1,957.22	-2.31	-0.12%
NASDAQ	4,379.05	-0.71	-0.02%
MSCI Asia ex-Japan	575.80	5.60	0.98%
MSCI Emerging Market	1,046.81	5.03	0.48%
5 Yr FXTN	3.50	-	
10 Yr US Treasury	2.53	-3 bps	
USD/PHP	43.87	-0.04	-0.09%

Source: Bloomberg

## NEWS IN THE PHILIPPINES

### Government Posts Second Month of Surplus

- Department of Finance: The government posted another surplus for the second straight month in May on the back of lower spending. A budget surplus of P11.782 billion was recorded in May, following a P80.952 billion reading in April, bringing the total surplus for the first five months of the year to P8.512 billion. A year earlier, the government posted a deficit of P13.164 billion, bringing the January to May 2013 shortfall to P42.839 billion.

### Local Bond Market

- The yield of the benchmark 5-year bond closed flat at 3.50%.
- The yields of bonds were fairly mixed with equal losers and unchanged yields with only the 20yr gaining.

### Philippine Stocks

- The Philippine stock market rallied for a fifth straight day on window dressing and optimism that the U.S. Fed will keep record low interest rates longer than expected. The Philippine Stock Exchange index (PSEi) soared by 0.84% or 57.50 points to close at 6,892.18. Market breadth was positive with gainers at 119, losers at 74, and 40 issues unchanged.

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## Philippine Peso

- The peso snapped out of a three day losing streak as the dollar tumbled on lower than expected U.S. GDP data. The local currency closed 0.09% or 4 cents lower at 43.87.

## NEWS AROUND THE WORLD

### U.S. Consumer Spending Grows Less Than Forecast; Japan Prices Rise the Most in 32 Years

- U.S. Commerce Department: Consumer spending grew less than forecast in May, dampening the perceived rebound in the U.S. economy. Purchases, which account for 70 percent of the economy, rose 0.2% last month after a little unchanged in April. Higher prices at grocery stores and service centers strained consumer budgets. Spending may be muted until wage gains are enough to offset rising food and fuel bills.
- Japan Statistics Bureau: Japan's consumer prices climbed at its fastest pace in 32 years, pumped by a sales-tax increase and higher utility charges that have squeezed household budgets. Consumer prices excluding fresh foods rose 3.4% in May from a year earlier, matching median forecasts.

### US Stock Market

- US stocks ended lower fuelled by concerns over a possible U.S. interest rate hike. (Dow Jones -0.13% 16,846.13; NASDAQ -0.02% 4,379.05; S&P 500 -0.12% 1,957.22)

### Asian Stocks

- Asian stocks gained, recovering from a three-day slump. The MSCI Asia-Ex Japan Index surged 0.98% or 5.60 points to close at 575.80.

### Emerging Markets

- Emerging market stocks rebounded from a three-week low led by technology companies. The MSCI Emerging Markets Index jumped 0.48% or 5.03 points to close at 1,046.81.

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

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