

MARKET INDICATORS

As of June 27, 2017

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,876.37	62.20	0.80%
Dow Jones	21,310.66	-98.89	-0.46%
NASDAQ	6,146.62	-100.53	-1.61%
S&P500	2,419.38	-19.69	-0.81%
MSCI Asia ex-Japan	629.97	-1.30	-0.21%
MSCI Emerging Market	1,016.68	-2.43	-0.24%
5Yr FXTN	4.03	-2 bps	
10 Yr US Treasury	2.21	7 bps	
USD/PHP	50.26	0.09	0.17%

Source: Bloomberg



News in the Philippines

Philippines keeps Moody's grade but risks are flagged

- Yesterday, Moody's Investors Service kept its rating on the Philippines unchanged, however it flagged local political developments and potential overheating as risks that could affect the country's economy. The "Baa2" rating for the country's long-term issuer and senior unsecured debt ratings was kept constant, a notch above investment grade. Moody's also kept the local currency and foreign currency ratings unchanged. The rating agency said that the Baa2 rating is attributed to high economic strength that can balance the country's large scale and rapid growth against low per capita income relative to its peers. Moody's also expects Gross Domestic Product (GDP) to remain above six percent per year for the next two years, though growth could slow by the impact of a worsening of the security situation.

Local Bond Market

- The yield of the benchmark 5-year bond closed at 4.03, falling 2 bps during yesterday's session.
- The yields of bonds traded mostly negative throughout yesterday's session with 8 yields falling, 2 yields rising, and 1 yield remaining stagnant.

Philippine Stocks

- Local stocks ended the day positive yesterday after the markets started their window dressing to kick off the last trading week of the first half of the year. The PSEI gained 0.80% or 62.20 points to end the day at 7,876.37.

Philippine Peso

- The local peso weakened against the US Dollar after the US Federal Reserve officials gave hawkish remarks on its interest rate hike plans. The peso closed the day at PHP 50.26.



News around the World

European Central Bank to focus on strengthening Euro Zone

- According to Mario Draghi, the president of the European Central Bank (ECB), the ECB plans to be prudent in order to adjust its monetary stimulus to the economic recovery. Right now, he believes that the current policy that is in place is working and that its full effects on inflation will progressively materialize. However, with the current context where global uncertainties remain elevated, there are strong grounds for prudence in the adjustment of monetary policy parameters, even when accompanying the recovery of the EU. As a result, all signs now point to a strengthening and broadening recovery in the euro area.

US Market

- U.S. stocks closed in the red during yesterday's session as large-cap tech stocks fell more than 1 percent on the day while a Senate's decision to delay the healthcare reform vote has increased policy uncertainty. The S&P 500 ended at 2,419.38 falling 0.81% or 19.69 points. The Dow Jones fell 98.89 points or 0.46% to end at 21,310.66. The NASDAQ fell 100.53 points or 1.61% to close at 6,146.62.

Asian Stocks

- Asian equity indices fell yesterday after the US Senate's decision to delay the healthcare vote. The MSCI Asia-Ex Japan Index fell 0.21% or 1.30 points to close at 629.97.

Emerging Markets

- Emerging markets ended the day slightly lower after the Senate's decision to delay the healthcare reform vote. The MSCI Emerging Markets Index fell 0.24% or 2.43 points, closing at 1,016.68.