

MARKET INDICATORS

As of July 12, 2017

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,938.37	80.23	1.02%
Dow Jones	21,532.14	123.07	0.57%
NASDAQ	6,261.17	67.86	1.10%
S&P500	2,443.25	17.72	0.73%
MSCI Asia ex-Japan	632.96	4.02	0.64%
MSCI Emerging Market	1,029.90	11.70	1.15%
5Yr FXTN	4.25	6 bps	
10 Yr US Treasury	2.32	-4 bps	
USD/PHP	50.63	-0.12	-0.24%

Source: Bloomberg



News in the Philippines

More room for banks to do business in the PH

- According to Moody's Investor Service, foreign banks can still find room to grow in the Philippines. As of March 2017, there were 599 banks operating in the country, which is fewer than the 602 banks reported at the end of 2016. The decline was due to small banks being forced into liquidation by regulators after being declared unviable. However, Moody's maintained its "stable" outlook for the country in its mid-year update. The view is attributed to the country's huge consumer market, robust overall economic growth, and the governments aggressive infrastructure push.

Local Bond Market

- The yield of the benchmark 5-year bond closed at 4.25, gaining 6 bps during yesterday's session.
- The yields of bonds traded mostly negative throughout yesterday's session with 8 yields falling, 1 yield rising and 2 yields remaining stagnant.

Philippine Stocks

- Local stocks ended the day positive after the market waits in anticipation for Fed Chair Janet Yellen's Congress testimony. The market is still waiting for a fresh catalyst to provide support and keep it above the 8,000 threshold. The PSEI rose 1.02% or 80.23 points to end the day at 7,938.37.

Philippine Peso

- The local peso ended almost flat against the US Dollar as investors adjusted their positions after yesterday's rise. The peso closed the day at PHP 50.63.



News around the World

Federal Reserve Chair Janet Yellen says Fed will stay flexible

- Yesterday, Janet Yellen, the Federal Reserve Chairwoman, spoke in front of Congress and delivered an upbeat message on US policies and the outlook for the economy. In her testimony, she highlighted that the recent weakness of inflation could lead the Fed to raise interest rates more slowly than they have so far this year. Over the past three quarters, the Fed raised rates three times. She further emphasized the strength of job growth as well as indicated that the Fed remained on course to begin reducing its bond holdings in the fall.

US Market

- U.S. stocks closed positive during yesterday's session as the technology sector carried stocks higher while Fed Chair Janet Yellen raised the possibility that the central bank would consider slowing interest rate increases if inflation remained below its target level. The S&P 500 ended at 2,443.25 rising 0.73% or 17.72 points. The Dow Jones gained 123.07 points or 0.57% to end at 21,532.14. The NASDAQ gained 67.86 points or 1.10% to close at 6,261.17.

Asian Stocks

- Asian equity indices advanced yesterday as Fed Chair Janet Yellen won't rush to tighten US monetary policy. The MSCI Asia-Ex Japan Index gained 0.64% or 4.02 points to close at 632.96.

Emerging Markets

- Emerging markets ended the day higher following Fed Chair Janet Yellen's comments. The MSCI Emerging Markets Index gained 1.15% or 11.70 points, closing at 1,029.90.