

MARKET INDICATORS

As of August 1, 2017

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,906.60	-111.45	-1.39%
Dow Jones	21,963.92	72.80	0.33%
NASDAQ	6,362.94	14.81	0.23%
S&P500	2,476.35	6.05	0.24%
MSCI Asia ex-Japan	657.70	1.66	0.25%
MSCI Emerging Market	1,069.00	2.77	0.26%
5Yr FXTN	4.60	-12 bps	
10 Yr US Treasury	2.25	-4 bps	
USD/PHP	50.41	-0.08	-0.16%

Source: Bloomberg



News in the Philippines

Unstable Politics Poses Risk to PH Robust Economic Growth

- "Unstable politics" poses risk for strong economic growth even with strong macroeconomic fundamentals, says Capital Economics, a London-based research firm. According to them, the Philippines is well set up for growth with a healthy working age population, low wage, strong fiscal position and a booming business process outsourcing (BPO) industry. Though, what might stand in the country's way from reaching its full potential are sudden policy changes and contentious comments from President Rodrigo R. Duterte. Low-wage neighbors such as Vietnam, Myanmar and Cambodia also show great potential for growth more so because of their integration into South China's supply chain.

Local Bond Market

- The yield of the benchmark 5-year bond closed at 4.60, falling 12 bps during yesterday's session.
- The yields of bonds traded mostly negative throughout yesterday's session with 6 yields falling, none rising, and 5 yields remaining stagnant.

Philippine Stocks

- Local stocks ended the day negative while still staying above the 8,000-yield mark. The Philippine Stock Exchange Index (PSEi) reflects a slow-down from a month of gains which was due to the decline in stock prices in services and property, financial, holding firm, and mining/oil industries. On the other hand, the industrial sector was only one ending Tuesday with a modest gain. The PSEi fell by 1.39% or 111.45 points to end the day at 7,906.60.

Philippine Peso

- The local peso weakened against the US Dollar as a reflection of the growing account deficit that is estimated to reach \$600M. The peso closed the day at PHP 50.41.



News around the World

Eurozone GDP at 0.6% in Q2

- The Eurozone Gross Domestic Product (GDP) continues to rise reaching 0.6% in the second quarter of this year. Compared to last quarter's 0.5%, the GDP reflects the region's improving economic health, steadily expanding and its unemployment rate falling by 9.1%, the lowest it has been in nine years. Moreover, Eurosceptic parties in the Netherlands, Austria and France are gaining business and consumer confidence contributing to the growth. The Eurozone's growth does fall far behind compared to United Kingdom's 0.3% and the United State's 0.65% of the same quarter.

US Market

- U.S. stocks closed positive during yesterday's session as most of the corporate quarterly reports released on Tuesday exceeded investor expectations. The S&P 500 ended at 2,476.35 rising 0.24% or 6.05 points. The Dow Jones gained 72.80 points or 0.33% to end at 21,963.92. The NASDAQ gained 14.81 points or 0.23% to close at 6,362.94.

Asian Stocks

- Asian equity indices rose yesterday as a reflection of investor optimism toward global market. The MSCI Asia-Ex Japan Index gained 0.25% or 1.66 points to close at 657.70

Emerging Markets

- Emerging markets ended the day on the positive due to strong Chinese manufacturing data and the US dollar easing out, pushing it towards three-year gains. The MSCI Emerging Markets Index rose 0.26% or 2.77 points, closing at 1,069.00.

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