

MARKET INDICATORS

As of August 8, 2017

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,986.51	-5.76	-0.07%
Dow Jones	22,085.34	-33.08	-0.15%
NASDAQ	6,370.46	-13.31	-0.21%
S&P500	2,474.92	-5.99	-0.24%
MSCI Asia ex-Japan	662.04	2.10	0.32%
MSCI Emerging Market	1,078.53	3.17	0.29%
5Yr FXTN	4.65	-8 bps	
10 Yr US Treasury	2.26	1 bps	
USD/PHP	50.53	0.08	0.15%

Source: Bloomberg



News in the Philippines

IMF tempers PH growth forecasts

- The International Monetary Fund (IMF) yesterday forecasted the Philippines to have “very strong” growth over the next few years, however it tempered expectations specifically for 2017. The lender forecasted the country’s Gross Domestic Product (GDP) to reach 6.6% by the end of the year, which is slower than the 6.8% that was projected in April. The forecast is below 2016’s recorded GDP of 6.9%. While still optimistic about the country’s growth, the IMF stressed that first quarter growth was below expectations thus lowering projections. Growth will depend on the incoming tax reform as well as pickup on government spending on infrastructure projects.

Local Bond Market

- The yield of the benchmark 5-year bond closed at 4.65, falling 8 bps during Wednesday’s session.
- The yields of bonds traded mostly flat throughout yesterday’s session with the belly of the curve losing traction. Yesterday, 3 yields fell, 1 yield gained and 7 yields remained stagnant.

Philippine Stocks

- Local stocks ended the day in the red moving away from the 8,000 level once again. Stocks surpassed the 8,000 level during the day, however were eventually dragged below it by profit taking after more second-quarter corporate earnings were released. The PSEi fell 0.07% or 5.76 points to end the day at 7,986.51.

Philippine Peso

- The local peso continued to weaken against the U.S. dollar yesterday after better than anticipated jobs data was released in the United States. The peso closed the day at PHP 50.53.



News around the World

China’s trade surplus widens in July

- According to data released yesterday, China’s trade surplus widened for the month of July as imports slowed down despite continued export growth. Exports rose 7.2% and imports increased by 11%, both falling below expert predictions for the month of July. The data showed that the trade surplus widened to \$46.7 billion. Chinese products remain in demand as the country’s major trading partners continue to recover, however U.S. President Donald J. Trump’s tough talk on trade is beginning to weigh on market sentiment.

US Market

- U.S. stocks yesterday finished at near lows of the session after President Trump’s speech in which he posed an aggressive response to talks on North Korea. The S&P 500 ended at 2,474.92 falling 0.24% or 5.99% points. The Dow Jones fell 33.08 points or 0.15% to end at 22,085.34. The NASDAQ ended the day in the red as well, shedding 13.31 points or 0.21% to close at 6,370.46.

Asian Stocks

- Asian equity indices rose yesterday due to growth optimism and investors waiting for China’s trade data. The MSCI Asia-Ex Japan Index went up by 0.32% or 2.10 points to close at 662.04.

Emerging Markets

- Emerging markets ended the day positive after investors await China trade data that was released last night. The MSCI Emerging Markets Index rose 0.29% or 3.17 points, closing at 1,078.53.