

## MARKET INDICATORS

As of September 20, 2017

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	8,219.32	56.62	0.69%
Dow Jones	22,412.59	41.79	0.19%
NASDAQ	6,456.04	-5.28	-0.08%
S&P500	2,508.24	1.59	0.06%
MSCI Asia ex-Japan	678.82	0.96	0.14%
MSCI Emerging Market	1,112.07	2.44	0.22%
5Yr FXTN	4.60	17 bps	
10 Yr US Treasury	2.27	2 bps	
USD/PHP	50.99	-0.01	-0.01%

Source: Bloomberg



## News in the Philippines

### Philippine investor confidence continues to stay intact

- According to S&P Global Ratings, Philippine investor confidence remains intact after over one year of the administration of President Rodrigo R. Duterte. The global ratings agency believes that despite the ongoing political noise and the bloody war on drugs, investor worries have generally eased. The administration has kept what had worked for the Aquino administration and focused on fiscal and monetary policy-making. At this point, S&P expects the country to grow at a rate of 6.5% this year which would hit the government's target of 6.5%-7.5%, albeit on the short-end. However, at this pace, the country would continue to be one of the fastest-growing economies in Asia.

### Local Bond Market

- The yield of the benchmark 5-year bond closed at 4.60, gaining 17 bps during yesterday's session.
- The yields of bonds traded mostly flat throughout yesterday's session. Yesterday, 2 yields rose, 4 yields fell and 5 yields remained stagnant.

### Philippine Stocks

- Local stocks inched up yesterday as the market adjusted to yesterday's losses after three straight days of record high finishes. The PSEi gained 0.69% or 56.62 points to end the day at 8,219.32.

### Philippine Peso

- The local peso weakened against the U.S. dollar yesterday as investors exhibit cautiousness ahead of upcoming key central bank meetings. The peso closed the day at PHP 50.99.



## News around the World

### US Federal Reserve

- During its overnight meeting, the US Federal Reserve laid out their plans on reducing their \$45-trillion balance sheet that they amassed after the 2008 financial crisis. This decision means that they believe that the economy has strengthened and higher rates are sure to come. The balance sheet will be reduced starting in October with reductions of \$10 billion a month until it gradually increases over the next year to \$50 billion a month. The Fed also kept rates unchanged, however, hinted that one more rate was likely to be announced in December of this year. Additionally, the Fed forecasted three more rate hikes for 2018.

### US Market

- U.S. stocks ended mostly in the green during yesterday's close as two out of the three benchmarks hit all-time highs. The US Federal Reserve announced their plans to reduce the \$4.5 trillion balance sheet in a gradual and predictable manner. The S&P 500 ended at 2,508.24 rising 0.06% or 1.59 points. The Dow Jones gained 41.79 points or 0.19% to end at 22,412.59. The NASDAQ, the loan benchmark index to fall, shed 5.28 points or 0.08% to close at 6,456.04.

### Asian Stocks

- Asian equity indices gained yesterday as investors were awaiting comments from the US Federal Reserve. The MSCI Asia-Ex Japan Index gained by 0.14% or 0.96 points to close at 678.82.

### Emerging Markets

- Emerging markets ended the day positive after investors waited to hear news on the US Federal Reserve's two-day meeting regarding its balance sheet. The MSCI Emerging Markets Index gained 0.22% or 2.44 points, closing at 1,112.07.