

## MARKET INDICATORS

As of January 29, 2018

| Index/ Bond          | Index Level/Yield | DoD Change | DoD % Change |
|----------------------|-------------------|------------|--------------|
| PSEi                 | 9,058.62          | 17.42      | 0.19%        |
| Dow Jones            | 26,439.48         | -177.23    | -0.67%       |
| NASDAQ               | 7,466.50          | -39.27     | -0.52%       |
| S&P500               | 2,853.53          | -19.34     | -0.67%       |
| MSCI Asia ex-Japan   | 775.33            | -0.82      | -0.11%       |
| MSCI Emerging Market | 1,267.98          | -5.09      | -0.40%       |
| 5Yr FXTN             | 4.73              | 4 bps      |              |
| 10 Yr US Treasury    | 2.69              | 3 bps      |              |
| USD/PHP              | 51.22             | 0.30       | 0.58%        |

Source: Bloomberg



## News in the Philippines

### BSP forecasts steady remittance growth

- According to the Bangko Sentral ng Pilipinas (BSP), remittances can be expected to continue growing regardless of the Department of Labor and Employment's (DOLE) ban on deployment to Kuwait after recent deaths of Filipino workers. The BSP acknowledged that remittances are expected to grow by 4% in 2018, continuing the strong trend, since remittances from Kuwait only account for 3% of total remittances as of last year. Filipinos are expected to continue to be deployed in countries that have a demand for them. From January to November 2017, remittances totaled \$25.32 billion.

### Local Bond Market

- The yield of the benchmark 5-year bond closed at 4.73, rising 4 bps during yesterday's session.
- The yields of bonds traded flat throughout yesterday's session with 2 yields rising, 3 yields falling and 6 yields remaining stagnant.

### Philippine Stocks

- Local stocks gained at yesterday's close marking the ninth record high for 2018. After breaking the 9,000-level last Friday, the bellwether index was fueled by telco stocks after the entry of a third player in the industry was delayed. The PSEI climbed 0.19% or 17.42 points to end the day at 9,058.62.

### Philippine Peso

- The local peso traded dropped against the greenback during yesterday's session hitting a two-month low after strong US inflation data as well as market expectations of a US Federal Reserve rate hike. The peso closed the day at PHP 51.22.



## News around the World

### US economy gains in 2017

- According to the United States Commerce Department, the US economy beat expectations and exhibited growth for the year, however remained below President Donald J. Trump's first term target. The US economy grew 2.3% in 2017, faster than 2016's 1.5%, and slower than 2015. President Trump's first term target is 3%. The numbers show that the US economy is healthy with the seemingly continuous rise of the stock market and the fall of unemployment, however, a disappointing end to 2017 played into the final value. A significant increase in imports at the end of 2017, the largest since 2010, increased the US trade deficit and business investment didn't rise as quickly during the same period.

### US Market

- US stocks closed the day negative yesterday after hitting record levels in its previous session. Investors have been wary as they are expecting the US Federal Reserve to raise rates this quarter. The S&P 500 ended at 2,853.33 falling 0.67% or 19.34 points. The Dow Jones fell 177.23 points or 0.67% to end at 26,439.48. The NASDAQ shed 39.27 points or 0.52% to close at 7,466.50.

### Asian Stocks

- Asian stocks retreated yesterday following losses seen in the US trading session. The MSCI Asia-Ex Japan Index fell 0.11% or 0.82 points to close at 775.33.

### Emerging Markets

- Emerging markets fell yesterday after investors await key data from China at the end of the week. The MSCI Emerging Markets Index climbed 0.40% or 5.09 points, closing at 1,267.98.