

# Daily Matters

October 2, 2015

## MARKET INDICATORS

As of October 1, 2015

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	6,890.94	-3.04	-0.04%
Dow Jones	16,272.01	-12.69	-0.08%
S&P 500	1,923.82	3.79	0.20%
NASDAQ	4,627.08	6.91	0.15%
MSCI Asia ex-Japan	486.16	2.93	0.61%
MSCI Emerging Market	797.61	5.56	0.70%
5 Yr FXTN	3.47	-2 bps	
10 Yr US Treasury	2.04	-	
USD/PHP	46.75	0.02	0.04%

Source: Bloomberg

## NEWS IN THE PHILIPPINES

### Government Posts Budget Surplus

- Department of Finance: The government recorded a budget surplus in August as revenue collections exceeded national spending, cutting the year-to-date budget deficit even further. The state's budget balance stood at a P15.04 billion surplus, half the P29.87 billion balance last year and 45% below the P27.33 billion target for the month. The government has historically posted a seasonal surplus in August. Revenue collection rose 4% to P176.66 billion year-on-year, 16% below the P209.35 billion target. Meanwhile, government expenditures surged by 15% to P161.62 billion yet still 11% short of the month's P182.02 billion target.

### Local Bond Market

- The yield of the benchmark 5-year bond lost 2 bps to close at 3.47%.
- The yields of bonds mostly rose with 7 yields rising and 5 falling.

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## Philippine Stocks

- The Philippine stock market succumbed to profit taking on lack of fresh catalysts. The Philippine Stock Exchange index (PSEi) shed 0.04% or 3.04 points to close at 6,890.94. Market breadth swung to positive as winners outmatched losers 100 to 63 while 55 issues ended flat.

## Philippine Peso

- The peso slightly weakened against the greenback as investors stayed on the sidelines ahead of the release of key U.S. jobs data today. The local currency closed 0.04% or 2 cents higher at 46.75.

## NEWS AROUND THE WORLD

### China PMIs Continue to Contract; U.S. Jobless Claims Rise

- China Federation of Logistics and Purchasing: The government's official gauge of manufacturing activity improved with the Purchasing Manager's Index (PMI) rising to 49.8 from August's three-year-low of 49.7 but still marking two straight months of decline. The government mostly surveys large firms.
- Caixin/Markit: A private survey also revealed that the PMI slumped to a fresh six-and-a-half year low of 47.2, below August's reading of 47.3 but slightly better than the 47 estimate. A reading below 50 indicates a contraction for both the government and private survey. The Caixin/Markit survey concentrates on smaller and medium sized companies.
- U.S. Department of Labor: The number of Americans filing for first time unemployment benefits rose last week though the total number of people receiving state benefits is still at a 15-year low. Initial jobless claims grew by 10,000 to a seasonally adjusted 277,000 in the week ended Sept. 26 while the number receiving continuing unemployment benefits fell by 53,000 to 2,191,000 in the week ended Sept. 19, the lowest since November 2000.

### US Stock Market

- U.S. markets ended mixed following its worst quarterly performance since 2011 as investors point to uncertainty on the strength of the next unemployment report and its implications on U.S. interest rates. (Dow Jones -0.08% 16,272.01; NASDAQ 0.15% 4,627.08; S&P 500 0.20% 1,923.82)

### Asian Stocks

- Asian stocks were broadly higher yesterday on easing fears of a Chinese slowdown. The MSCI Asia-Ex Japan Index jumped 0.61% or 2.93 points to close at 486.16.

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## Emerging Markets

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- Emerging market stocks rose for a second day on signs of a stabilizing manufacturing industry in China. The MSCI Emerging Markets Index increased by 0.70% or 5.56 points to close at 797.61.

Sources: Bloomberg, Briefing.com, Business World, CNN, Inquirer, PhilStar, Reuters, WSJ

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