

# Daily Matters

November 18, 2014

## MARKET INDICATORS

As of November 13, 2014

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,198.63	-34.24	-0.47%
Dow Jones	17,652.79	40.59	0.23%
S&P 500	2,039.33	1.08	0.05%
NASDAQ	4,680.14	5.00	0.11%
MSCI Asia ex-Japan	572.15	1.64	0.29%
MSCI Emerging Market	992.72	-3.34	-0.34%
5 Yr FXTN	3.65	-13 bps	
10 Yr US Treasury	2.34	-3 bps	
USD/PHP	44.86	-0.02	-0.04%

Source: Bloomberg

## NEWS IN THE PHILIPPINES

### Hot Money Outflow Registered in October

- Bangko Sentral ng Pilipinas (BSP): Foreign portfolio investments recorded a net outflow for the second straight month in October on profit taking. Investors decided to pocket gains after the U.S. Federal Reserve decided to end its stimulus program and the lowering of the global growth outlook by the International Monetary Fund (IMF). Hot money, or funds that easily enter and leave the country, stood at a \$179.85 million net outflow last month. The latest tally was lower than the \$179.85 million posted during September and reversed a \$969.33 million net inflow in October last year.

### Local Bond Market

- The yield of the benchmark 5-year bond lost 13 bps to close at 3.65%.
- The yields of bonds mostly dropped with 7 falling, 3 unchanged, and 2 rising.

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## Philippine Stocks

- The Philippine stock market edged lower as investors refrained from buying due to poor corporate earnings. The Philippine Stock Exchange index (PSEi) lost 34.24 points or 0.47% to close at 7,198.63. Five out of the six subindices ended in the red with only the Industrials managing to eke out a small gain.

## Philippine Peso

- The peso barely budged as traders stayed on the sidelines amid a lack of market-moving data. The local currency closed 0.04% or 2 cents lower at 44.86.

## NEWS AROUND THE WORLD

### U.S. Employers Boost Hiring, Number of Job Positions Ease, Jobless Claims Rise; China Industrial Production, Retail Sales and Fixed Investment Trail Estimates

- U.S. Labor Department: Employers hired more workers in September at its fastest pace since the last recession began while more people resigned from their jobs in more than six years. The hiring rate, or the number of people who were hired divided by the number who worked or were paid, rose to 3.6% and matching July's reading after employers added more than 5.03 million employees, the strongest since December 2007. Meanwhile, 2.75 million people quit their jobs in September, pushing the quits rate up to 2%, the highest since April 2008.
- The report also showed that the number of positions waiting to be filled decreased to 4.74 million, slightly short than the 4.85 million available positions in August that was the highest since January 2001.
- In a separate report, the number of American claiming for unemployment benefits rose to 290,000 last week from 278,000. The four-week average rose to 285,000 from 279,000.
- China National Bureau of Statistics: China's industrial production and retail sales growth unexpectedly fell in October while fixed investments grew below forecasts. Industrial production advanced by 7.7% year-on-year in October, lower than the 8.0% growth registered in September and trailing the expected production growth of 8.0%.
- In a separate report, retail sales growth slowed for the fifth straight month in October. Retail sales gained 11.5% yearly in October following September's 11.6% rise and lower than the 11.6% estimate and the 12% registered during a comparable period last year.
- In another report, fixed asset investments in non-rural China increased by 15.9% in the January to October period, less than the 16.1% rise during the previous month's year-to-date figure. The October growth was less than the 16.0% expected increase.

## US Stock Market

- The U.S. stock market held steady after the Dow and S&P both reached intraday highs. (Dow Jones 0.23% 17,652.79; NASDAQ 0.11% 4,680.14; S&P 500 0.05% 2,039.33)

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## Asian Stocks

Asian stocks rose as policymakers in China and Japan hinted that it will do more to support growth. The People's Bank of China (PBOC) is asking selected lenders to apply for cash to support loans for smaller enterprises while Japanese Prime Minister Shinzo Abe may delay the implementation of another sales-tax hike. The MSCI Asia-Ex Japan Index increased by 0.29% or 1.64 points to close at 572.15.

## Emerging Markets

- Emerging market stocks tumbled for the seventh time in nine days as oil dropped to its lowest level in four years. The measure of energy companies of developing countries lost 2.2%. The MSCI Emerging Markets Index shed 0.34% or 3.34 points to close at 992.72.

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

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