

Daily Matters

November 21, 2014

MARKET INDICATORS

As of November 20, 2014

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,268.95	-0.54	-0.01%
Dow Jones	17,719.00	33.27	0.19%
S&P 500	2,052.75	4.03	0.20%
NASDAQ	4,701.87	26.16	0.56%
MSCI Asia ex-Japan	563.78	-0.98	-0.17%
MSCI Emerging Market	990.10	0.19	0.02%
5 Yr FXTN	3.23	-2 bps	
10 Yr US Treasury	2.34	-2 bps	
USD/PHP	45.07	-	-

Source: Bloomberg

NEWS IN THE PHILIPPINES

Agri Output Value Reaches P1.1T

- Philippine Statistics Authority (PSA): The national agricultural output grossed P1.1 trillion at current prices on the back of better prices paid to food producers in the crops, livestock and poultry subsectors in the first three quarters of the current year. The figure means that the Philippine agriculture managed to grow by 9.55 percent in terms of value and by 0.33 percent in terms of volume for the first nine months of the year, all despite considerable damage caused by successive typhoons to the industry.

Local Bond Market

- The yield of the benchmark 5-year bond dropped 2 bps to close at 3.23%.
- On the local fixed income space, prices of government securities fell for a second consecutive trading day as investors continued to unload positions. Yields went up 5.2 basis points on average led by the long-end, which hiked by 8.2 basis points, trailed by the short-end and the belly, up by 7.3 and 1.8 basis points, respectively.

Philippine Stocks

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- Local equities slightly declined as the market tracked regional trends following the release of the latest Federal Open Market Committee meeting minutes. The PSEi shed 0.54 points, or -0.01%, to close at 7,268.95.

Philippine Peso

- The Philippine peso traded sideways against the US Dollar due to the lack of fresh leads. Despite opening slightly lower, the peso remained at 45.070 by the end of the day.

NEWS AROUND THE WORLD

US Underlying Inflation Pressures Rose in October; US Sales of Existing Homes Reached the Highest Level of the Year; Philly Fed Manufacturing Showed a Jump in Business Activity Index; Eurozone's Private Sector Activity Slowed in November

- US Labor Department: The so-called core Consumer Price Index, which excludes food and energy, increased 0.2 percent, the largest increase in five months, after nudging up 0.1 percent in September. In the 12 months through October, the core CPI rose 1.8 per-cent after rising 1.7 percent in September. However, falling gasoline prices left the overall CPI unchanged last month after a 0.1 percent gain in September.
- National Association of Realtors : The sales of previously owned homes rose 1.5% MoM (Market estimate: negative-0.4%) to a seasonally adjusted annual rate of 5.26mln (Market estimate: 5.15mln). October was the sixth month in seven that sales rose from the preceding month. Sales in October increased 2.5% YoY, the first time so far in 2014 that sales rose rather than fell on an annual basis.
- Mid-Atlantic manufacturing surged to its highest level since late 1993 during November. The Federal Reserve Bank of Philadelphia's index of general business activity covering the regional factory sector spiked to 40.8 in November (Market estimate: 18.5) from 20.7 in October and 22.5 in September.
- Activity in the eurozone's private sector slowed in November. Markit's flash eurozone PMI composite output index – one which tracks surveys from both the manufacturing and services sectors - printed in at 51.4 (Market estimate: 52.3), the lowest level in 16 months, from 52.1 in October. The survey also showed that a significant pickup in activity is unlikely in the coming months, with new orders falling for the first time since July 2013, while employment was unchanged.

US Stock Market

- U.S. stocks closed higher as a trio of solid economic data points - Philly Fed manufacturing, existing home sales and the leading index - combined with surprisingly positive earnings and sales from a handful of retailers to offset sluggish manufacturing reports in both Europe and China. The Dow Jones Industrial Average added 33.27 points, or 0.19%, to 17,719.00. The S&P 500 gained 4.03 points, or 0.2%, to 2,052.75. The Nasdaq rallied 26.16 points, or 0.56%, to 4,701.87.

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Asian Stocks

- Asian equities ended mixed, as country-specific factors weighed in on local markets despite better than expected economic releases from the US. The MSCI Asia-Ex Japan Index was little changed at 563.78.

Emerging Markets

- Most emerging-market stocks fell as signs of manufacturing weakness in China and Germany weighed on exporters, offsetting a rally in energy companies. The MSCI Emerging Markets Index was likewise little changed at 990.10.

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

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