

Daily Matters

November 11, 2014

MARKET INDICATORS

As of November 10, 2014

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,192.12	-25.73	-0.36%
Dow Jones	17,613.74	39.81	0.23%
S&P 500	2,038.26	6.34	0.31%
NASDAQ	4,651.62	19.09	0.41%
MSCI Asia ex-Japan	571.19	6.73	1.19%
MSCI Emerging Market	997.66	10.01	1.01%
5 Yr FXTN	4.00	23 bps	
10 Yr US Treasury	2.36	-2 bps	
USD/PHP	44.88	-0.18	-0.40%

Source: Bloomberg

NEWS IN THE PHILIPPINES

FDI Exceed Full Year Target

- Bangko Sentral ng Pilipinas (BSP): Net inflows of Foreign Direct Investments (FDI) more than doubled in August from a year earlier, pushing the eight month tally to breach the 2014 full-year goal. Net FDI inflows soared to \$299 million in August, up 112.3% from the \$141 million recorded during a comparable period last year. Majority of the FDI inflows were composed of net equity capital inflows, which was up \$180 million from the \$42 million last year. The January to August net inflow tally now reached \$4.306 billion, up 59% from the \$2.709 registered during the same period in 2013.

Local Bond Market

- The yield of the benchmark 5-year bond gained 23 bps to close at 4.00%.
- The yields of bonds ended mixed with equal gainers and losers while 2 yields were unchanged.

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Philippine Stocks

- The Philippine stock market pulled back amidst light trading as investors were underwhelmed with the recent string of corporate earnings results. The Philippine Stock Exchange index (PSEi) lost 13.60 points or 0.19% to close at 7,192.12. Market breadth was negative with 92 decliners, 76 advancers, while 47 stocks were unchanged.

Philippine Peso

- The peso recovered to the 44 level on weaker-than-expected U.S. nonfarm payrolls results last week. The local currency closed 0.40% or 18 cents lower at 44.88.

NEWS AROUND THE WORLD

China October Inflation at Five Year Low

- China National Bureau of Statistics: Inflation remained flat in October as the Consumer Price Index (CPI) stayed at 1.6%, unchanged from the previous month and hovering at a five-year low. While CPI remained stable, the Producer Price Index (PPI) fell for the 32nd month in a row to 2.20% in October, worse than the 2.0% decline forecast and following a 1.8% drop the previous month. Given an environment of stable CPI and declining PPI, investors may expect a steady rise in the Chinese yuan versus the U.S. dollar as purchasing power increases for the yuan relative to the greenback.

US Stock Market

- The U.S. stock market hit milestones as both the Dow and S&P closed at record highs while the tech-heavy NASDAQ hit its highest level since the dot-com bubble in March 2000. (Dow Jones 0.23% 17,613.74; NASDAQ 0.41% 4,651.62; S&P 500 0.31% 2,038.26)

Asian Stocks

Asian stocks ended mixed with Chinese markets outshining the region after a new launch date was announced for a much anticipated cross-border trading link between the Hong Kong and Shanghai bourses. The MSCI Asia-Ex Japan Index leaped 1.19% or 6.73 points to close at 571.19.

Emerging Markets

- Emerging market stocks recovered for the first time in 10 days as China sought to link its two main bourses and as Russian shares advanced on supportive comments from President Vladimir Putin. The MSCI Emerging Markets Index surged 1.01% or 10.01 points to close at 997.66.

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

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