

Daily Matters

December 01, 2017

MARKET INDICATORS

As of November 30, 2017

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	8,254.03	-37.85	-0.46%
Dow Jones	24,272.35	331.67	1.39%
S&P500	2,647.58	21.51	0.82%
Nasdaq	6,873.97	49.58	0.73%
MSCI Asia ex-Japan	695.97	-12.66	-1.79%
MSCI Emerging Market	1,120.79	-20.59	-1.80%
5Yr FXTN	5.09	6 bps	
10 Yr US Treasury	2.41	2 bps	
USD/PHP	50.37	0.14	0.28%

Source: Bloomberg



News in the Philippines

Senate tax reform bill friendly to spending – Credit Suisse

- According to Credit Suisse, the senate's version of the tax reform is likely to have a smaller impact on commodity prices and also will help drive strong household spending. The inflation impact of the approved tax reform package is expected to be tamed next year, while additional revenue generated will be lower.
- Senate Bill 1592 is expected to produce around P130 billion in fresh revenue during its first year of implementation, slightly lower than the P133.8 billion expected from House Bill 5636 and the P157.2 billion under the original proposal of the Department of Finance.

Local Bond Market

- The yield of the benchmark 5-year bond closed at 5.09 bps with most of the yields falling. (8 yields down; 3 yields up), however, higher yields and foreign capital outflows at the end of the period amidst lingering qualitative and quantitative liquidity concerns.

Philippine Stocks

- The Philippine stock market was at play as the status of the Government's tax reform program, last day of the semiannual rebalancing of the MCSI index and jitters over North Korea made the market drop 37.85 points or 0.45% and closed at 8,254.03. The said move is part of the Duterte administration's attempt to raise taxes to fund its ambitious Build, Build, Build program.

Philippine Peso

- The local peso continued its rally against the US Dollar on the back of the positive sentiment on the passage of the Philippine tax reform bill as it finished off at Php 50.37. The Philippine peso traded stronger due to some hawkish remarks from Powell's speech, and boosted the sentiment on the December rate hike.



News around the World

US jobless claims post second weekly decline

- Labor Department: released a data that shows initial claims for state unemployment benefits slipped 2,000 to a seasonally adjusted 238,000 for the week ended Nov. 25. The labor market is near full employment, with a jobless rate at a 17-year low of 4.1%. The four-week moving average of initial claims, increased 2,250 to 242,250 last week, considered a better measure of labor market trends as it irons out week-to-week volatility.

US Market

- U.S. stocks appreciated after Thursday's session as gains in the Oil & Gas, Industrials and Technology sectors led shares higher and as the Senate Republicans advanced their push to pass tax cuts. The Dow Jones rose above 24,000, noting its longest streak of monthly gains as it closed at 24,272.35 or 331.67 points and 1.39%, S&P 500 is at 2,647.58 or 21.51 points and 0.82% and the Tech Savvy Nasdaq closed at 6,873.97 or 49.58 points and 0.73%.

Asian Stocks

- Most Asian currencies was on the sidelines as the market focused on progress in President Donald J. Trump's tax cut plan while the South Korean won touched multi-year highs, unfazed by yet another show of aggression from the North. The MSCI Asia ex-japan ended the trade at 695.97 or -12.66 points with -1.79%.

Emerging Markets

- MSCI's broader emerging stocks index dropped more than 1% after Wall Street selloff as Asian Tech bellwethers such as Samsung and Tencent fell 2-3%. The tech index was on track for the biggest weekly loss in almost two years. The MSCI Emerging Market finished off at 1,120.79 or -20.59 points or -1.80%.

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