

MARKET INDICATORS

As of December 11, 2017

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	8,358.57	53.87	0.65%
Dow Jones	24,386.03	56.87	0.23%
NASDAQ	6,875.08	35.00	0.51%
S&P500	2,659.99	8.49	0.32%
MSCI Asia ex-Japan	696.81	5.90	0.85%
MSCI Emerging Market	1,119.97	9.19	0.83%
5Yr FXTN	4.72	-2 bps	
10 Yr US Treasury	2.39	1 bp	
USD/PHP	50.35	-0.20	-0.40%

Source: Bloomberg



News in the Philippines

The Philippines solidifies its status as investment grade

- According to a report from Fitch Ratings yesterday, the Philippines was given a credit rating upgrade after a year that exhibited solid economic growth, supported by optimism regarding infrastructure and tax reform plans. Fitch graded the country with a “BBB,” matching the ratings that fellow international debt watchers, Moody’s Investor Service and S&P Global Ratings had recently given the country. Fitch, in September of 2015, graded the country at a “BBB-,” but has since cited the country’s stable economic outlook as one of the factors for the upgrade. According to Fitch, the country’s “strong and consistent macroeconomic performance has continued, underpinned by sound policies that are supporting high and sustainable growth rates.”

Local Bond Market

- The yield of the benchmark 5-year bond closed at 4.72, falling 2 bps during yesterday’s session.
- The yields of bonds traded flat throughout yesterday’s session with 1 yield rising, 2 yields falling and 8 yields remaining stagnant.

Philippine Stocks

- Local stocks gained at yesterday’s close after positive economic news regarding the Fitch Rating’s increase provided the main catalyst for the market lift. The PSEi gained 0.65% or 53.87 points to end the day at 8,358.57.

Philippine Peso

- The local peso strengthened against the greenback during yesterday’s session as investors were optimistic about the Fitch Ratings’ increase overnight. The ratings increase shows that President Rodrigo R. Duterte’s economic plans are being internationally recognized. The peso closed the day at PHP 50.35.



News around the World

China bank lending hits a new record for 2017

- People’s Bank of China – Economic news released yesterday, showed that the Chinese bank lending hit a new record for the year on the back of a much stronger-than-expected surge in credit for the month of November. Banks in China stretched 1.12 trillion yuan (\$169.27 billion) in net new yuan loans throughout November, destroying analyst expectations of an 800-billion-yuan increase, from October’s 663.2 billion yuan. Analysts attribute the jump to strong corporate financing demand, with corporate and household loans expanding sharply.

US Market

- US stocks closed the day positive yesterday after investors seemed reluctant to make any moves with the Federal Reserve’s monetary policy announcement on Wednesday. The expectations still are that the Fed will raise interest rates and investors will be keeping an eye on that. The S&P 500 ended at 2,659.99 rising 0.32% or 8.49 points. The Dow Jones climbed 56.87 points or 0.23% to end at 24,386.03. The NASDAQ gained 35.00 points or 0.51% to close at 6,875.08.

Asian Stocks

- Asian stocks gained yesterday ahead of a full slate of Central Bank meetings throughout the week, including those of the Federal Reserve and the European Central Bank. The MSCI Asia-Ex Japan Index rose 0.85% or 5.90 points to close at 696.81.

Emerging Markets

- Emerging markets jumped yesterday driven by the 2% rise of Chilean stocks on Monday, the country’s highest daily rise in almost two years. The rise was attributed to foreign buyers in large stocks and higher prices for copper, the country’s main export. The MSCI Emerging Markets Index rose 0.83% or 9.19 points, closing at 1,119.97.

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