

MARKET INDICATORS

As of December 13, 2017

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	8,359.61	25.55	0.31%
Dow Jones	24,585.43	80.63	0.33%
NASDAQ	6,875.80	13.48	0.20%
S&P500	2,662.85	-1.26	-0.05%
MSCI Asia ex-Japan	696.62	4.21	0.61%
MSCI Emerging Market	1,118.81	6.44	0.58%
5Yr FXTN	4.70	-1 bps	
10 Yr US Treasury	2.34	-6 bps	
USD/PHP	50.45	-0.02	-0.03%

Source: Bloomberg



News in the Philippines

ADB Forecasts Higher Growth in 2017 and 2018

- The Asian Development Bank (ADB) raises its forecasted national growth for this year and the coming year with President Duterte's "Build, Build, Build", infrastructure program fueling the country's economy. ADB projects the country's gross domestic product (GDP) to reach 6.7% for 2017 and 6.8% for 2018, from the initially forecasted 6.5% and 6.7% respectively, as stated in the Asian Development Outlook Update 2017. The forecast assumes that the government's infrastructure program will continue to grow, backed up by an improved budget execution and upcoming investment projects. The "Build, Build, Build" program is set to complete 75 major infrastructure projects, with a target of completing half within President Duterte's term. A budget of 9 trillion pesos is allocated for hard and modern infrastructure initiatives.

Local Bond Market

- The yield of the benchmark 5-year bond closed at 4.70, falling at 1 bps during yesterday's session.
- The yields of bonds were mostly stagnant throughout yesterday's session with 1 yields rising, 4 yields falling and 6 yields remaining stagnant.

Philippine Stocks

- The Philippine Stock Exchange Index (PSEI) firmed up during yesterday's session amidst the expected passage of the local tax legislation and regional markets wary of the results of the U.S. Federal Reserve meeting. Services, mining/oil, financial, industrial and holding firm counters posted gains on Wednesday, with only the property counter falling. The PSEI rose 0.31% or 25.55 points landing at 8,359.61 at market's close.

Philippine Peso

- The local peso traded sideways against the U.S. dollar as the anticipated result of the U.S. Federal Reserve meeting fostered caution among investors. The peso closed the day at PHP 50.45.



News around the World

U.S. Budget Deficit Rises in November

- According to the U.S. Treasury Department, the budget deficit in November is at \$139 billion, higher than the \$137-billion deficit during the same month last year. The latest data show is higher than economist expectations that was pegged at \$134 billion. Further, the deficit for the fiscal year to date is at \$202 billion from last year's \$183 billion, adjusted, last months fiscal year-to-date deficit is at \$248 billion, higher than last year's \$222 billion. With a growing deficit, the Congress approved a funding to keep the government open until December 23 and is yet to agree on a long-term funding. The growing deficit rises from the government's tax collection failing to make up for its spending.

US Market

- Most U.S. indices closed Thursday's session higher due to an expected interest rate hike. The Standard & Poor 500 (S&P 500) however, slid due to pressure from the financial sector. The S&P 500 ended at 2,662.85 falling 0.05% or 1.26 points. The Dow Jones went up 80.63 points or 0.33% to end at 24,585.43. The NASDAQ rose 13.48 points or 0.20% to close at 6,875.80.

Asian Stocks

- Asian markets closed higher on Wednesday ahead of U.S. Federal Reserve meeting results. Moreover, the U.S. dollar weakened after the Republican bet lost the Alabama election. The MSCI Asia-Ex Japan Index rose 0.61% or 4.21 points to close at 696.62.

Emerging Markets

- Emerging markets and currencies strengthened yesterday with the expected interest rate hike after the President Donald J. Trump's Republican party suffered electoral loss. The MSCI Emerging Markets Index climbed 0.58% or 6.44 points, closing at 1,118.81.