

# Daily Matters

December 19, 2012

## MARKET INDICATORS

As of December 18, 2012

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	5,636.59	12.74	0.23%
Dow Jones	13,350.96	115.57	0.87%
S&P 500	1,446.79	16.43	1.15%
NASDAQ	3,054.53	43.93	1.46%
MSCI Asia ex-Japan	544.00	0.95	0.17%
MSCI Emerging Market	1,046.24	6.22	0.60%
5 Yr FXTN	3.60	-3 bps	
10 Yr US Treasury	1.82	5 bps	
USD/PHP	41.08	0.02	0.05%

Source: Bloomberg

## NEWS IN THE PHILIPPINES

### Higher Unemployment last October; Moody's Upgrade PH Appraisal

- National Statistics Office (NSO): Unemployment rose in October, supporting views that the fast economic expansion generates jobless growth. October unemployment figures stood at 6.8% from 6.4% last year despite a country growth rate of 7.1% in the 3<sup>rd</sup> quarter. 2.76 million people were unemployed with people with jobs falling to 37.7 million from 38.6 million. Metro Manila posted the highest unemployment rate at 11%.
- Moody's Investor Service: The rating agency raised its assessment of the Philippines suggesting its credit worthiness could merit an investment grade rating. In its latest credit analysis, it said the country's fundamentals placed it well within the Ba1 to Baa2 ratings range citing improvements in economic strength and government financial strength. The country currently stands at Ba1 with investment grade ratings starting at Baa3.

### Local Bond Market

- The yields of all short and medium term tenors declined while long term bonds rose.
- The yield of the benchmark 5-year tenor lost 3 bps to close at 3.60%.

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## Philippine Stocks

- Philippine stocks snapped a 4-day slump, despite continuous profit-taking, on positive sentiment on the US fiscal cliff. The Philippine Stock Exchange index (PSEi) regained 0.23% or 12.74 points to close at 5,636.59. Market breadth was negative with advancers overwhelmed by decliners at 61 to 115 while 39 stocks were unchanged.

## Philippine Peso

- The peso slipped as corporate demand boosted the greenback. The local currency closed 0.05% or 2 cents higher at 41.08.

## NEWS AROUND THE WORLD

### Standard & Poor's Boosts Greece's Credit Rating; Japan Exports Slide

- Standard & Poor's (S&P): The debt rating agency upgraded Greece's rating by several notches, citing the firm commitment to keep Greece in the Eurozone. S&P raised the rating by 6 notches from selective default to B-minus reflecting the completion of the debt buyback and the release of a €49.1 billion aid from the Eurozone.
- Japan Finance Ministry: Japan's exports fell for the 6<sup>th</sup> month last November as the trade deficit ballooned. Shipments slid 4.1% from last year while imports rose 0.8% forming a deficit of ¥953.4 billion (\$11.3 billion), the third largest in record.

## US Stock Market

- US stocks advanced yesterday on hopes that a deal on the fiscal cliff may be taking shape. Early morning gains inched up after Standard & Poor's upgraded Greece's credit rating by several notches. (Dow Jones 0.87% 13,350.96; NASDAQ 1.46% 3,054.53; S&P 500 1.15% 1,446.79)

## Asian Stocks

- Asian stocks rose as signs of a compromise on the US fiscal cliff sparked optimism that the budget struggle could be resolved within the year. The MSCI Asia ex-Japan Index ticked up 0.17% or 0.95 points to close at 544.00.

## Emerging Markets

- Emerging-market stocks edged towards 8-month highs buoyed by gains from China and progress on US budget negotiations. The MSCI Emerging Markets Index gained 0.60% or 6.22 points to close at 1,046.24.

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

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