

Daily Matters

December 19, 2017

MARKET INDICATORS

As of December 18, 2017

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	8,422.82	85.78	1.03%
Dow Jones	24,792.20	140.46	0.57%
S&P500	2,690.16	14.35	0.54%
Nasdaq	6,994.76	58.18	0.84%
MSCI Asia ex-Japan	697.46	3.02	0.43%
MSCI Emerging Market	1,130.39	11.89	1.06%
5Yr FXTN	4.7	2 bps	
10 Yr US Treasury	2.39	4 bps	
USD/PHP	50.46	0.01	0.01%

Source: Bloomberg



News in the Philippines

BSP, BoT sign deal on banking supervision

- Bangko Sentral ng Pilipinas and Thailand are currently on talks for cross-border banking as they have signed a cooperation deal on banking supervision. The deal is about an agreement on banking supervision, which will entail “greater information exchange and cooperation” in terms of licensing, on-site examinations, supervisory colleges, and crisis management.
- Once realized, this will be the country’s second partnership after Bank Negara Malaysia and hopefully Indonesia will follow.

Local Bond Market

- The yield of the benchmark 5-year bond closed at 5.70 bps with a mixed performance of the yields. (6 yields falling; 5 yields rising).
- Treasury Bonds on offer may see higher bids due to tight following the government’s latest offer and issuance of retail bonds. The local government issued retail Treasury bonds worth Php 255.4 billion following a public offering last month.

Philippine Stocks

- The Philippine stock market investors went on looking for bargains on yesterday’s trade, pushing the benchmark to rally the 8,400 level. The PSEi gained 85.78 points or 1.02% to finish at 8,422.82 while the broader All Shares index gained 39.36 points or 0.80% to close at 4,909.79. Investors are still on the positive momentum brought by the ratification of the TRAIN, which Pres. Duterte is expected to sign today.

Philippine Peso

- The local peso moved sideways against the US dollar as it closed at Php 50.46 amidst upbeat sentiment on US tax cuts. The market is considering the depreciation as a possible ratification by the US bicameral committee of the Republican tax reform bill by Tuesday, American time.



News around the World

Japan trade surplus drops sharply on higher oil imports

- According to the Finance Ministry Data, Japan’s trade surplus fell sharply in November, as the rising cost of oil and smartphone imports outweighed strong exports of cars and steel. Exports rose for the 12th consecutive month on sound exports of chip-making equipment, cars and steel. The yen was on average 8.2% cheaper against the US dollar in November compared to the same month a year earlier, making Japan’s imports costlier.

US Market

- U.S. stocks closed at all-time highs on Monday as investors eagerly awaited a vote on a bill that would cut corporate taxes. The major indexes closed at record highs after Republican Sens. Corker and Rubio signaled their support for the bill. Dow Jones ended at 24,792.20 with 140.46 points or 0.57%; S&P500 is at 2,690.16 with 14.35 points or 0.54%; and the Tech Savvy Nasdaq finished off at 6,994.76 with 58.18 points or 0.84%.

Asian Stocks

- Asian equities will continue to rally into 2018 due to strength in Equity market, supported by regional economies growing strongly and solid company fundamentals that will drive earnings in the next 12 months. The MSCI Asia ex-japan ended the trade at 697.46 or 3.02 points with 0.43%.

Emerging Markets

- MSCI’s emerging market index advanced 0.5% due to solid gains in Asia, with the benchmark having now risen 30% since the start of the year. The MSCI Emerging Market finished off at 1,130.39 or 11.89 points or 1.06%.

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