

Daily Matters

December 20, 2017

MARKET INDICATORS

As of December 19, 2017

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	8,365.96	-56.86	-0.68%
Dow Jones	24,754.75	-37.45	-0.15%
S&P500	2,681.47	-8.69	-0.32%
Nasdaq	6,963.85	-30.91	-0.44%
MSCI Asia ex-Japan	699.97	2.51	0.36%
MSCI Emerging Market	1,132.20	1.81	0.16%
5Yr FXTN	4.72	1 bp	
10 Yr US Treasury	2.46	7 bps	
USD/PHP	50.34	-0.12	-0.23%

Source: Bloomberg



News in the Philippines

Tax reform, budget implementation set

- Department of Finance: President Duterte signed the Php 3.767 trillion national budget for 2018 and the first of the five reform packages. The program aims to shift the burden of the people who can afford to pay more and raise additional revenue to support the Build Build Build program of the government.

Local Bond Market

- The yield of the benchmark 5-year bond ended at 4.72 bps with most of the yields appreciating. (7 yields rising; 4 yields falling)
- Treasury Bond bids were once again rejected as it saw weaker demand amidst tight liquidity in the market.

Philippine Stocks

- The Philippine stock market depreciated as the market closed before TRAIN package was signed by Pres. Duterte. The benchmark Philippine Stock Exchange index (PSEi), declined 56.86 points or 0.67% to finish at 8,365.96 while the broader All Shares gauge declined 7.65 points or 0.15% to finish at 4,902.14. With the signed package, it fails to lift the mood of the whole market.
- It was announced that there will be no trading on Dec 26 and Jan 2, in a memorandum circular released.

Philippine Peso

- The Philippine Peso rebounded against the US dollar on Tuesday's trade after the TRAIN package was signed. It was said that the signing had a massive impact on the whole market as it closed at Php 50.34.



News around the World

Current Account Deficit much smaller than expected in Q3

- Data released showed that the U.S. current account deficit narrowed significantly from \$124.4 billion in the second quarter to \$100.6 billion in Q3. A forecast shows that account deficit will widen from \$ 450 billion in the next two years.

US Market

- US Market ended lower as the House of Representatives, passed a bill that would deliver sweeping corporate tax cuts. Dow Jones is at 24,754.75 with -37.45 points or -0.15%; S&P500 at 2,681.47 with -8.69 or -0.32% and the Tech Savvy Nasdaq finished off at 6,963.85 with -30.91 points or -0.44%.

Asian Stocks

- Asian market was mixed after US benchmarks dipped, investors awaiting the final votes on U.S. tax-cut legislation. Bond yields climbed amid focus on the outlook for increased supply in 2018, with less central bank buying. The MSCI Asia ex-japan ended the trade at 699.97 with 2.51 or 0.36%.

Emerging Markets

- Emerging markets, especially South African stocks and bonds increased, extending gains after the election of Cyril Ramaphosa, while the rand hovered near nine-month highs versus the dollar. The MSCI Emerging Market finished off at 11,132.20 with 1.81 points or 0.16%. Broader emerging equities were also in fine fettle, as stocks index up 0.4% following a record-setting session on Wall Street.

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