

Daily Matters

December 21, 2017

MARKET INDICATORS

As of December 20, 2017

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	8,362.61	-3.35	-0.04%
Dow Jones	24,726.65	-28.1	-0.11%
S&P500	2,679.25	-2.22	-0.08%
Nasdaq	6,960.96	-2.89	-0.04%
MSCI Asia ex-Japan	699.35	-0.62	-0.09%
MSCI Emerging Market	1,132.85	0.65	0.06%
5Yr FXTN	4.72	0	
10 Yr US Treasury	2.5	3 bps	
USD/PHP	50.25	-0.09	-0.18%

Source: Bloomberg



News in the Philippines

Budget Chief says Duterte to veto provisions in tax reform, 2018 spending plan

- According to the Secretary of Budget and Management, Pres. Duterte is expected to ban provisions to the recently approved tax reform and general appropriations act. Any minor line vetoes will be on the President to announce to the public.
- The Finance department is now moving to submit to the Congress next quarter the second tax reform package which seeks to cut the corporate income tax rate to 25% from 30% to put it at par with levies of the Philippines' Asian rivals for foreign investments.

Local Bond Market

- There is a mix on the performance of the yields as 6 yields rose, and 5 yields fell and the benchmark of the 5-year bond ended at 4.72 bps.
- Week on long term deposits dropped amidst strong demand as the central bank decided to stop offering month long instrument to target excess funds held by lenders.

Philippine Stocks

- The Philippine stock market ended on a flat note after the TRAIN package was signed by the President as the benchmark Philippine Stock Exchange index (PSEi) closed at 8,362.61, down 3.35 points or 0.04% while the broader All Shares index was down 8.52 points or 0.17% to end at 4,893.62.
- Market players are on the sidelines as its nearly the holidays and there wasn't much movement on the market with US indices closing slightly lower Tuesday.

Philippine Peso

- The Philippine Peso appreciated against the US dollar as the market continued to cheer the enactment of the government's tax reform package amidst delay in the US' own plans to amend levies. The local peso ended at PHP 50.25.



News around the World

US mortgage activity falls to 10-month low

- Mortgage Banking Association released a data stating the weekly volume of US mortgage application fell to its lowest on Friday by 4.9% to 379.2 in the week ended Dec. 15. Mortgage interest rates were mixed, with reports that the average contract rate for 30-year fixed-rate mortgages (FRM) with loan balances below the conforming limit of decreased to 4.165.

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 24,726.65 with -28.1 points or -0.11%, S&P500 at 2,679.25 with -2.22 Points or -0.08% and the Tech Savvy Nasdaq finished off at 6,960.96 with -2.89 points or -0.04%.

Asian Stocks

- Asian market was mostly down as investors took a breather following recent gains, while US senators voted for a controversial tax overhaul which is expected to boost corporate profits. The MSCI Asia ex-japan ended the trade at 699.35 with -0.62 points or -0.09%.

Emerging Markets

- The Emerging Market was flat after the Indian shares hit record highs as Prime Minister Narendra Modi's electoral victories in key states continued to lend support. The MSCI Emerging Market finished off at 1,132.85 with 0.65 points or 0.06%.

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