



# Daily Matters

December 28, 2017

## MARKET INDICATORS

As of December 27, 2017

| Index/ Bond          | Index Level/Yield | DoD Change | DoD % Change |
|----------------------|-------------------|------------|--------------|
| PSEi                 | 8,490.91          | 58.60      | 0.69%        |
| Dow Jones            | 24,774.30         | 28.09      | 0.11%        |
| NASDAQ               | 6,939.34          | 3.09       | 0.04%        |
| S&P500               | 2,682.62          | 2.12       | 0.08%        |
| MSCI Asia ex-Japan   | 704.51            | 2.32       | 0.33%        |
| MSCI Emerging Market | 1,144.39          | 5.76       | 0.51%        |
| 5Yr FXTN             | 4.76              | 1 bps      |              |
| 10 Yr US Treasury    | 2.41              | -6 bps     |              |
| USD/PHP              | 49.98             | -0.03      | -0.06%       |

Source: Bloomberg



## News in the Philippines

### FMIC: 2017 GDP Can Grow to 6.5%-7.0%

- According to First Metro Investment, Corp., the country can see a 2017 full-year growth rate of 6.5%-7.0% with improved government spending and export performance. Gaining from a better-than-expected gross domestic product (GDP) growth of 6.9% year-on-year (YoY) during the third quarter, the economy continues to move fast during the fourth quarter supported by faster government spending with spending on infrastructure projects and capital outlays rising by 17.8% in October. Government spending rose by 28% YoY promoting a stronger GDP growth during the fourth quarter. Furthermore, the annual inflation rate halted at 3.3% in November, lower than October's rate of 3.5%. Based on FMIC's research, the strengthening of the U.S. dollar against the peso will give the country higher export earnings. FMIC expects the Bangko Sentral ng Pilipinas (BSP) to raise interest rates during the first quarter of 2018.

### Local Bond Market

- The yield of the benchmark 5-year bond closed at 4.76, rising at 1 bps during yesterday's session.
- The yields of bonds were mostly negative and stagnant throughout yesterday's session with 1 yields rising, 5 yields falling and 5 yields remaining stagnant.

### Philippine Stocks

- The local bourse firmed up during yesterday's trade supported by selective buying of large-cap stocks and upbeat regional markets. The property counter led the rise among all the other counters that closed on the positive. PSEI climbed 0.69% or 58.60 points landing at 8,490.91 at market's close.

### Philippine Peso

- The local peso strengthened on Wednesday due to a stronger offshore dollar-peso market trading. The peso is currently in its strongest in six months. The peso closed the day at PHP 49.98.



## News around the World

### U.S. Consumer Confidence Nears 17-Year High

- Based on the Conference Board's Index data released on Wednesday, consumer confidence stayed strong at 122.1 in December, nearing the 17-year high rating of 128.6 in November. Lynn Franco, Director of Economic Indicators of the Conference Board, says the strong consumer confidence supports the outlook that the economy will continue to grow this coming year. The strong U.S. job market, stock market rally, along with fiscal reforms have contributed to raising consumer confidence.

### US Market

- U.S. stocks posted modest gains during yesterday's session with gains in real estate and utilities making up for declines in energy and telecommunication stocks. S&P 500 ended at 2,682.62 climbed 0.08% or 2.12 points. The Dow Jones went up 28.09 points or 0.11% to end at 24,774.30. The NASDAQ rose 3.09 points or 0.04% to close at 6,939.34.

### Asian Stocks

- Asian markets closed higher on Wednesday due to a spike in selective buying from investors despite the presence of big catalysts. Regionally, there has been fairly strong buying in mining and energy stocks due to an increase in commodity prices. The MSCI Asia-Ex Japan Index rose 0.33% or 2.32 points to close at 704.51.

### Emerging Markets

- Most emerging currencies rose against the U.S. dollar on Wednesday with the Russian rouble taking the lead. Gains in Asian tech shares and firm commodity prices contributed to a stronger emerging markets index. The MSCI Emerging Markets Index climbed 0.51% or 5.76 points, closing at 1,144.39.

The content on this material is provided for information purposes only and should not be considered as investment advice. This document is not a solicitation or an offer to buy or sell any securities or related financial products. While this document was prepared with reasonable care, no guarantee is given as to the accuracy and completeness of the information herein. Information and/or views contained herein are for information only and based on data that ATR Asset Management (ATR) has researched. However, ATRAM does not represent that the information and/or views are accurate or complete, and these should not be relied upon as such. Any person receiving this document must make his/her own investigation and satisfy him-/herself as to the accuracy and completeness of the information and/or views. Any information or opinion expressed in this document is subject to change without prior notice. This document may not be reproduced or distributed without written consent from ATR Asset Management.