

## MARKET INDICATORS

As of December 5, 2017

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	8,145.00	60.55	0.75%
Dow Jones	24,180.64	-109.41	-0.45%
NASDAQ	6,762.21	-13.15	-0.19%
S&P500	2,629.57	-9.87	-0.37%
MSCI Asia ex-Japan	692.26	-3.26	-0.47%
MSCI Emerging Market	1,117.69	-4.26	-0.38%
5Yr FXTN	4.69	6 bps	
10 Yr US Treasury	2.35	-2 bps	
USD/PHP	50.65	-0.02	-0.03%

Source: Bloomberg



## News in the Philippines

### Inflation Eases Out to 3.3% in November

- Based on the recent report of the Bangko Sentral ng Pilipinas (BSP), inflation in November eased out to 3.3% due to slower increase in food prices. Data from the Philippine Statistics Authority suggest that there has been a slow down in the price increase rate of basic goods last month from a rate of 3.5%. However, the latest rate is higher than the rate during the same time last year of 2.5%. BSP Governor Nestor A. Espenilla, Jr. shared that the country's inflation rate for the past 11 months falls within the targeted 2-4% range for the year. Average headline inflation in November is at 3.2%. For the year, BSP expects inflation to land at 3.2%.

### Local Bond Market

- The yield of the benchmark 5-year bond closed at 4.69, rising at 6 bps during yesterday's session.
- The yields of bonds were mostly stagnant throughout yesterday's session with 0 yields rising, 5 yields falling and 6 yields remaining stagnant.

### Philippine Stocks

- After a five-day sell-off, investors saw an opportunity to reenter the market with bargain in mind boosting the local bourse beyond the 8,100-mark during yesterday's session. The PSEI rose 0.75% or 60.55 points landing at 8,145.00 at the end of the day.

### Philippine Peso

- The local peso traded sideways during yesterday's session closing stronger than the greenback due to profit taking and with inflation that eased out last month. The peso closed the day at PHP 50.65.



## News around the World

### U.S. Trade Balance at its Widest in October

- The U.S. Commerce Department reports that October's trade balance is at its widest setting a record nine-month high. The gap increased by 8.6% to an estimated \$48.7 billion. The latest reading shows a steady demand for imports most likely in preparation for the upcoming holiday shopping. The hike was mainly driven by the demand for mobile phones, apparel, household goods, and service-related purchases, contributing to the almost \$800 million increase in consumer goods imports. Specifically, imports increased by 1.6% to \$244.6 billion. China and Mexico topped as the country's source of imports. On the other hand, exported remained at \$195.9 billion.

### US Market

- U.S. major indices closed lower after yesterday's session with investors contemplating the effects of passage of the U.S. tax reform bill, despite the rally in technology and healthcare sectors. This has resulted to a heavy sell-off of technology shares. The telecommunication and utilities sector led the decline. The S&P 500 ended at 2,629.57 falling 0.37% or 9.87 points. The Dow Jones fell 109.41 points or 0.45% to end at 24,180.64. The NASDAQ slid 13.15 points or 0.19% to close at 6,762.21.

### Asian Stocks

- Asian markets suffered from the technology sell-off on Tuesday. The MSCI Asia-Ex Japan Index slid 0.47% or 3.26 points to close at 692.26.

### Emerging Markets

- Emerging equities suffered after a sell-off of technology stocks yesterday despite strong Chinese services data. Investors are showing preference for financial stocks over technology stocks, which can benefit more from the U.S. tax reform bill and potentially lighter bank regulations. The MSCI Emerging Markets Index dropped 0.38% or 4.26 points, closing at 1,117.69.