

Daily Matters

January 17, 2017

MARKET INDICATORS

As of February 16, 2017

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,283.25	108.95	1.52%
Dow Jones	20,619.77	7.91	0.04%
S&P500	2,347.22	-2.03	-0.09%
Nasdaq	5,814.90	-4.54	-0.08%
MSCI Asia ex-Japan	563.86	1.65	0.29%
MSCI Emerging Market	945.62	3.84	0.41%
5Yr FXTN	4.26	36 bps	
10 Yr US Treasury	2.45	5 bps	
USD/PHP	49.96	0.03	0.06%

Source: Bloomberg

NEWS IN THE PHILIPPINES

‘Hot money’ flows off to a strong start

- According to the Bangko Sentral ng Pilipinas (BSP), as 2017 opened, more foreign portfolio investments entered the country ending a two-month streak of outflows on the back of renewed optimism and strong economic growth reported last month. The BSP saw a \$301.33-million net inflow in January which were due to “optimism about the New Year and positive investor reaction to the announced 6.6% GDP (gross domestic product) growth of the country in the fourth quarter of 2016.”

Local Bond Market

- The yield of the benchmark 5-year bond rose to 4.46% with 36.34 bps.
- The yields of bonds mostly rose with 10 yields rising led by the 20yr bond (5.39%) and only 1 yield falling.

Philippine Stocks

- Local Stocks recuperated after a few sessions in the red due taking the cue from Wall Street’s and Asian markets’ gain and due to bargain-hunting and encouraging remittances data. The Philippine Stock Exchange index (PSEi) rose by 1.51% or 108.95 points to finish at 7,283.25, while the broader all shares index rose by 1.04% or 45.54 points to 4,401.79.

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Philippine Peso

- The Philippine peso is still on the downside against the US dollar due to the impending interest rate hike next month as it closed at Php 49.96. As per Fed Chair Yellen, she hinted on more rate increases as the jobs market has improved and inflation has shown signs of nearing the Fed's 2% goal.

NEWS AROUND THE WORLD

Philly Fed index surges to 43.3 in February

- Federal Reserve Bank of Philadelphia: The index for current manufacturing activity rose to 43.3 from 23.6 in January, remaining in the positive state for seven consecutive months and breaking expectations for a decline to 18.0. This is stated as the highest reading for the index since 1984 and the biggest beat relative to expectations since 1998 that led to firms to report higher sales and shipments.

US Stock Market

- US stock indexes finished the trade on the red by a decline in energy stocks, with the Dow industrials the only index to gain another record high at 20,619.77 with 7.91 points or 0.04%. The S&P 500 index declined -2.03 points, or -0.09%, at 2,347.22. Meanwhile, the Nasdaq composite finished at 5,814.90 with -4.54 points or -0.08%.

Asian Stocks

- Asian stocks inched to new 19-month highs thanks to an ongoing rally on Wall Street, also boosted by gains in Chinese stocks. The MSCI Asia-Ex Japan Index gained 1.65 points or 0.29%, closing at 563.86.

Emerging Markets

- The Emerging market is tracking gains in developed markets, while the Russian rouble held at 1 1/2-year highs, but other currencies eased after recent solid gains. The MSCI Emerging Markets Index is at 0.41% or 3.84 points to close at 945.62.

Sources: Bloomberg, Briefing.com, Business World, CNN, Inquirer, PhilStar, Reuters, WSJ