

Daily Matters

November 7, 2014

MARKET INDICATORS

As of November 6, 2014

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,236.63	27.82	0.39%
Dow Jones	17,554.47	69.94	0.40%
S&P 500	2,031.21	7.64	0.38%
NASDAQ	4,638.47	17.75	-0.40%
MSCI Asia ex-Japan	566.89	-0.82	-0.14%
MSCI Emerging Market	991.32	-7.12	-0.71%
5 Yr FXTN	3.775	0 bps	
10 Yr US Treasury	2.39	0 bps	
USD/PHP	45.00	0.03	0.07%

Source: Bloomberg

NEWS IN THE PHILIPPINES

PH to Allow Miners to Expand Sites , New Mindanao Autonomy will Cost Php 800 Billion

- The Mines and Geosciences Bureau (MGB) said that the Department of Environment and Natural Resources (DENR) has issued Department Administrative Order (DAO) 2014-06, allowing firms with existing contracts to expand their areas. The amendment “provides that the expansion areas of operating mines with available mineral resources/reserves will be allowed subject to validation by the Mining Industry Coordinating Council (MICC).” The policy aims to ensure a more responsible industry and getting a larger share of the sector’s revenues.
- Murad Ebrahim, chair of the Moro Islamic Liberation Front (MILF), said he hoped the new autonomous setup would have enough safeguards against the misuse of funds as the cost of putting in place a new autonomous government in Mindanao could reach P800 billion. Murad said the first phase of the Bangsamoro Development Plan, which would be implemented from 2015 to mid-2016, would need P110 billion. The national government currently is supportive and had been aggressively providing opportunities to people caught in conflict areas through projects aims to improve the living conditions of several Bangsamoro communities by offering cash for work, technical-vocational training, study

grants and health insurance, which was launched last year.

Local Bond Market

- The yields of the benchmarks closed mixed yesterday. The 1m, 6m, 2y and 25y fell while the 5y and 7y remained flat. The 5-year-benchmark remained at 3.775%.

Philippine Stocks

- The Philippine Stock Exchange index yesterday firmed up above 7,200 ahead of an upcoming rebalancing of the closely tracked MSCI index. The PSEi gained 27.82 points, or 0.39 percent, to close at 7,236.63.

Philippine Peso

- The peso fell to a seven-month low and continued its losing streak yesterday amid solid US data on the private sector. The Philippine peso closed at 45.00, higher than Thursday's close at 44.97. USDPHP opened at a low of 44.98 and touched a high of 45.12. Total volume for the day was USD 736.90 million.

NEWS AROUND THE WORLD

US Unemployment Claims Lower Than Expected, ECB Prepares For Further Stimulus Measures

- US Unemployment data came out yesterday at lower than market estimate 285,000. The number of individuals who filed for unemployment insurance for the first time during the past week was at 278,000.
- ECB held its monthly press conference after leaving interest rates unchanged again. ECB president Mario Draghi's said that the bank was unanimous in being prepared to use unconventional stimulus measures if needed gave markets a lift. This fueled speculation that QE could happen in the first quarter of next year.

US Stock Market

- The stock market surged to another record high on Thursday amid solid profits for big companies and optimistic economic news. The S&P 500 went up 7.64 points, or 0.38 percent, to close at 2,031.21. The Dow Jones rose 69.94 points, or 0.4 percent, to 17,554.47 while Nasdaq gained 17.75 points, also 0.4 percent, to 4,638.47.

Asian Stocks

- Southeast Asian stock markets edged up on Thursday after key U.S. indexes closed at record highs on Wednesday, but Indonesian shares continued to fall on disappointing economic data. The MSCI Asia ex-Japan Index was down by -0.82 points or -0.14% to 566.89.

Emerging Markets

- Emerging-market stocks fell for a fourth day, the longest losing streak in a month which was led by energy and utility companies. EM reacted to the announcement of European Central Bank to keep its main interest rates unchanged. The Ibovespa retreated 2 percent as Brazil's central bank signaled that it will keep raising interest rates to tame inflation. The MSCI Emerging Markets Index fell 0.71 percent to 991.32.

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

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