

## News Briefs

### Local

- The local main-share index started the week with a new record high as most investors tracked gains from the US and on China's GDP figures. The local equities market also reached a new intraday high of 6,193.25, moving closer to 6,200 level. Philippine Long Distance Telephone Company (TEL) was the top performer as Chairman Manuel V. Pangilinan announced that profits would rise this year, driven by data and broadband revenues. Yesterday, the PSEi rose by 32.49 points, or +0.53%, to close at 6,171.70. Almost all sectoral indices ended in the green led by services (+2.15%), holding firms (+0.74%) and mining and oil (+0.66%), with only industrials (-0.26%) ending in the red. Market breadth was positive with advances outnumbering declines 88 to 69 with 51 stocks unchanged. Value turnover reached Php6.14 billion.
- According to the National Statistics Coordination Board (NSCB), approved foreign investments in the first nine months of 2012 amounted to Php86.1 billion, or 4.7% lower compared with Php90.3 billion registered in the same period last year. Likewise, approved foreign investments for the third quarter of 2012 fell by 36.7% to US\$17.7 billion from Php28 billion recorded a year ago. The top three investing countries for the third quarter were Cayman Islands, Japan and Singapore which posted total commitments of Php4.7 billion, Php4.2 billion and Php1.3 billion, respectively.
- The Philippine Electricity Market Corp. (PEMC) asked the Energy Regulatory Commission (ERC) for provisional authority to use Php34.3 million of its unutilized funds to set up an interim electricity spot market in Mindanao which would mitigate an imminent power shortage on the island. PEMC President Melinda Ocampo said that they will not charge a fee since they will use their savings to start the Interim Mindanao Electricity Market (IMEM) project which is expected to free up to 360 megawatts of untapped capacity in Mindanao.
- Prices of local government securities rose yesterday as bargain-hunting was observed particularly on the belly and in anticipation of strong demand in today's 7-year FXTN auction. In general, yields declined by an average of 1.98 basis points with the short end of the curve and the belly dropping by 1.5 and 3.7 basis points, respectively. Meanwhile, the long end of the curve climbed by 0.2 basis points.
- The Philippine peso fell during yesterday's trading session on speculation that the BSP will unveil more measures to manage capital flows. The local currency surrendered 1.25 centavos to close at 40.700.

### US and Europe

- US equities and Treasury markets were closed for the Martin Luther King Day holiday.
- European equities closed at almost two-year highs ahead of the European finance ministers' first key meeting this year, though gains were muted amid thin trading as US markets were closed for a national holiday. The FTSEurofirst300 index gained 0.25% to close at 1,166.53.
- Data released yesterday regarding Spain's economy pointed to a country that still continues to muddle through the Euro-zone's fiscal crisis. Last November, Spanish exports fell 0.6% year-on-year from the 7.4% rise it had exhibited during the same month a year ago. The Bank of Spain will also be releasing its estimate for the country's 4th quarter GDP following the jobs figures which will be released on the 24th. Economists have forecasted that 26% of Spaniards, or roughly 6 million people, are out of work. Moreover, officials are predicting that the country would be facing more difficulties this year, especially as the government struggles to meet its budget goals.
- The European Union will be pushing through with its plans to put the ECB in charge of banks in the region, as well as other banks which choose to participate. The ECB oversight is set to begin in March 2014, unless an emergency compels it to act earlier, and will be a requirement for any country that calls for aid from the ESM to directly help its banks.
- The euro traded steadily against the US dollar yesterday ahead of the key Euro-group meeting which would end late Monday. The shared currency slipped back 0.03 cents to close at US\$1.3318.

### Asia Pacific

- Most Asian markets ended lower as investors turned cautious ahead of the Bank of Japan's two-day meeting. Investors were concerned that the Japanese central bank might revise its goal of 2% inflation that has been priced into the markets.

Japan's economic minister, Akira Amari claimed that there was still room for negotiation between cabinet officials and the central bank before they can agree on a joint statement. Other market drivers included US State Secretary Clinton's call on China not to undertake any "unilateral action" that would undermine Japan in the land dispute in the East China Sea. China rebuked the American for her public support of Japan's administration. Indonesia's Jakarta Composite Index (-0.57%), Japan's Nikkei 225 (-1.52%), and Malaysia's KLCI (-2.43%) posted the largest losses among peers. The MSCI All Country Asia Pacific Index waned 0.47 points, or -0.35%, to 132.25.

## Key Indicators

<b>EQUITIES BENCHMARK INDICES</b>	<b>21-Jan-13</b>	<b>DoD change</b>	<b>WoW change</b>	<b>MoM change</b>	<b>Ytd change</b>
Philippine Stock Exchange Index	6,171.70	0.53%	1.28%	5.97%	6.18%
MSCI World USD Index	1,389.58	0.11%	0.68%	3.62%	4.73%
MSCI All Country Asia Pacific ex-Japan Total Returns	375.11	-0.15%	0.13%	3.76%	2.69%
MSCI Europe USD Index	1,501.83	0.45%	0.22%	3.47%	3.91%
FTSEurofirst 300 Index	1,166.53	0.25%	0.58%	2.40%	3.18%
Dow Jones Industrial Average Index	13,649.70	0.00%	1.05%	3.48%	5.50%
Standard & Poor's 500 Index	1,485.98	0.00%	1.04%	3.90%	5.96%
<b>YIELDS AND PRICES</b>	<b>21-Jan-13</b>	<b>DoD change</b>	<b>WoW change</b>	<b>MoM change</b>	<b>Ytd change</b>
91-Day Philippine Treasury Bill Yield (PDST-F)	0.3000	-0.01%	-0.21%	-0.22%	-0.19%
1-Year Philippine Treasury Bill Yield (PDST-F)	0.9800	0.01%	-0.12%	-0.08%	-0.01%
ROP2021 (Price)	111.871	0.00	(0.05)	(0.43)	(0.55)
ROP2034 (Price)	136.689	(0.48)	(1.38)	(2.54)	(2.72)
3-Month US Treasury Yield	0.0710	0.00%	0.01%	0.02%	0.04%
2-year US Treasury Yield	0.2503	0.00%	0.01%	-0.02%	0.00%
10-year US Treasury Yield	1.8416	0.00%	-0.00%	0.08%	0.14%
30-year US Treasury Yield	3.0289	0.00%	-0.00%	0.10%	0.16%
3-Month German Treasury Bill Yield	0.000	0.02%	0.02%	0.05%	0.00%
Brent Crude Oil Spot (\$/bbl)	114.24	0.32%	1.40%	2.43%	2.05%
Dubai Crude Oil Spot (\$/bbl)	106.71	0.30%	-0.18%	0.74%	-0.29%
1-month Nymex oil futures (\$/bbl)	95.56	0.00%	1.51%	7.78%	5.24%
Gold Spot (\$/oz)	1,690.05	0.34%	1.33%	1.98%	2.07%
USD/PHP (PDEX close)	40.700	0.13	0.04	(0.37)	(0.35)

Source: Bloomberg

## Asian Equity Markets

<b>Asia Pacific Markets</b>					
Last Trade as of January 21, 2013					
Country	Index	Value	DoD Change	% Change	
Asia Pacific	MSCI AC Asia Pacific Index	132.25	-	0.47	- 0.35
Australia	S&P/ASX 200 Index	4,777.50	+	6.27	+ 0.13
China	Shanghai SE Comp Index	2,328.22	+	11.15	+ 0.48
Hong Kong	Hang Seng Index	23,590.91	-	10.87	- 0.05
India	SENSEX	20,101.82	+	62.78	+ 0.31
Indonesia	Jakarta Composite Index	4,439.97	-	25.51	- 0.57
Japan	Nikkei 225	10,747.74	-	165.56	- 1.52
Malaysia	KLCI	1,635.63	-	40.81	- 2.43
New Zealand	NZX 50 Index	4,185.18	+	21.00	+ 0.50
Singapore	Straits Times Index	3,221.32	+	10.10	+ 0.31
South Korea	KOSPI	1,986.86	-	0.99	- 0.05
Taiwan	TWSE	7,724.92	-	7.95	- 0.10
Thailand	SET Index	1,440.48	+	6.04	+ 0.42

## Local Bond Market

<b>Peso Interest Rates (PDEX PDST-R2)</b>							
	21-Jan-13	18-Jan-13	Difference		21-Jan-13	18-Jan-13	Difference
1 month	0.1250	0.1250	0.000	4 year	3.6017	3.6111	- 0.009
3 month	0.1250	0.1250	0.000	5 year	3.6750	3.6750	0.000
6 month	0.3500	0.3500	0.000	7 year	4.0750	4.0650	+ 0.010
1 year	0.7400	0.8000	- 0.060	10 year	4.3500	4.3294	+ 0.021
2 year	2.2528	2.2250	+ 0.028	20 year	5.5500	5.5648	- 0.015
3 year	2.9380	3.1500	- 0.212	25 year	5.5246	5.5244	+ 0.000

## Upcoming Economic Releases

Date	Philippines	Period Covered	Date	US	Period Covered
1/24/2013	Philippines Overnight Reverse Repurchase Agreement RRP Rate	Jan 24	1/23/2013	Mortgage Bankers Association US Mortgage Market Indx Weekly % Change SA Old Meth	Jan 18
1/25/2013	Philippines External Balance of Trade	Nov	1/24/2013	US Initial Jobless Claims SA	Jan 19
1/25/2013	Philippines External Trade Imports YoY	Nov	1/28/2013	US Durable Goods New Orders Industries MoM SA	Dec
1/25/2013	Philippines External Trade Imports	Nov	1/29/2013	Conference Board Consumer Confidence SA 1985=100	Jan
1/31/2013	Philippines GDP Constant 2000 Prices YoY	4Q	1/30/2013	GDP US Chained 2005 Dollars QoQ SAAR	4Q A
1/31/2013	Philippines National Accounts GDP Constant 2000 Prices QoQ SA	4Q	1/31/2013	Federal Funds Target Rate US	Jan 30
1/31/2013	Philippines Annual GDP Constant 2000 Prices Growth Rate	2012	2/1/2013	US Employees on Nonfarm Payrolls Total MoM Net Change SA	Jan
			2/1/2013	US Unemployment Rate Total in Labor Force Seasonally Adjusted	Jan
			2/1/2013	University of Michigan Survey of Consumer Confidence Sentiment	Jan
			2/1/2013	ISM Manufacturing PMI SA	Jan

Sources: BPI, Business World, PDI, Phil Star, Manila Bulletin, Reuters, Briefing, Bloomberg, CNN, Dow Jones