

News Briefs

Local

- The local equities market made yet another ascent to achieve a fresh all-time high nearing the 6,200 mark. The main-share index was mostly unchanged, as gains from utility stocks were just enough to offset losses from heavyweight TEL. Yesterday, the PSEi rose 24.78 points, or +0.40%, to close at 6,192.42. Almost all sectoral indices ended in the green led by industrials (+1.46%), holding firms (+0.60%) and property (+0.30%) with only services (-0.55%) ending in the red. Market breadth was positive with advances outnumbering declines 101 to 61 with 50 stocks unchanged. Value turnover reached Php9.06 billion.
- The National Economic and Development Authority (NEDA) board has approved two more public-private partnership (PPP) projects along with three other rural infrastructure projects. Secretary Ramon Carandang of the Presidential Communications Development and Strategic Office said that those 5 projects worth a combined Php146.83 billion were approved by the board headed by President Aquino. The two PPP projects are the Cavite-Laguna expressway (Cala-Ex) worth Php35.5 billion and the unsolicited proposal of Metro Pacific Investments Corp. (MPIC) to connect the North Luzon and South Luzon expressways worth Php25.56 billion. These projects were partially approved by the board in November 2012 pending a costing review. Moreover, Mr. Carandang added that all these projects were meant to promote inclusive and rapid growth.
- The merger of Philippine National Bank (PNB) and Allied Banking Corp. will be completed next month with all necessary regulatory approvals secured. According to Allied Bank President Anthony Chua, the legal merger will become effective within February and the functional integration of the 2 banks will be completed 2-3 years from now. Mr. Chua said that both banks had started to integrate a number of operations. After the merger, PNB -- the surviving entity -- will now have 650 branches and assets of over Php500 billion.
- Prices of local government securities marginally increased yesterday amid optimism on the country's prospects for economic growth. In general, yields declined by an average of 0.57 basis points led by the belly and long-end of the curve which dropped 2.2 and 5.74 basis points, respectively.
- The Philippine peso depreciated to a one-month low during yesterday's trading session as investors speculated further intervention by the BSP to curb currency appreciation. The local currency pared 25 centavos to close at 40.910.

US and Europe

- US equities pared gains as optimistic news on durable goods orders was nudged aside by a drop in pending home sales. The S&P500 index capped its longest rally since 2004, falling 0.2% to 1,500.18 while the Dow Jones Industrial Average index gave up 14.05 points to 13,881.93.
- Last December, durable goods orders in the US rose by 4.6% month-on-month, beating market expectations of +2.6%, to a seasonally adjusted amount of US\$230.74 billion, the bulk of which was driven by defense and transportation spending. Defense capital goods orders and aircraft and parts orders soared by 110.4% and 56.4%, respectively. Not including transportation, orders rose by 1.3%, still higher than market estimates of a 0.8% increase. On the other hand, new orders for machinery crept up only 0.4% while inventories stayed flat for the month.
- US pending home sales, or the number of home buyers signing contracts to buy previously owned homes, fell in December. According to the National Association of Realtors its seasonally adjusted index for pending home sales slipped 4.3% month-on-month, lower than market estimates of an unchanged figure, to 101.7. Though a decline, it still posted a third straight month that the index was above 100. This is equal to the average level of activity in 2001. The index has spiked 6.9% year-on-year and has already risen for 20 succeeding months on that basis. NAR's chief economist Lawrence Yun stated that the market is being limited by lack of homes up for sale, but that real estate agents are actually reporting good interest from potential customers.
- US Treasury prices plunged as an optimistic durable goods orders report further underscored signs that the country's economy may be recovering. The 10-year benchmark yield soared 1 basis point to 1.96% after touching the 2.00% level earlier during the day.

- European equities broke a three-day winning streak following incoming Bank of England Governor Mark Carney's statement that he would be willing to accept higher inflation for a prolonged amount of time so as to support growth. The FTSEurofirst300 index declined 1.82 points to 1,172.99.
- The euro traded sideways against the US dollar on Monday ahead of key economic releases from the world's biggest economy. The shard currency inched down 0.18 cents to close at US\$1.3446.

Asia Pacific

- Most Asian markets gained Monday following a corporate-results-driven rally on Wall Street and positive earnings outlook for Chinese firms. For the first time since April 2010, the Japanese stock market touched the 11,000 level before investors started booking profits, dragging the Nikkei 225 0.94% down. China's Shanghai SE Comp Index (+2.41%), Thailand's SET Index (+0.73%), and Taiwan's TWSE (+0.55%) posted the largest gains in the region. On a broader measure however, the MSCI All Country Asia Pacific Index waned 0.39 points, or -0.30%, to 131.35.

Key Indicators

EQUITIES BENCHMARK INDICES	28-Jan-13	DoD change	WoW change	MoM change	Ytd change
Philippine Stock Exchange Index	6,192.42	0.40%	0.34%	6.53%	6.53%
MSCI World USD Index	1,403.04	-0.17%	0.97%	5.74%	5.74%
MSCI All Country Asia Pacific ex-Japan Total Returns	371.14	-0.44%	-1.06%	1.60%	1.60%
MSCI Europe USD Index	1,527.01	-0.22%	1.68%	5.65%	5.65%
FTSEurofirst 300 Index	1,172.99	-0.15%	0.55%	3.75%	3.75%
Dow Jones Industrial Average Index	13,881.93	-0.10%	1.70%	7.29%	7.29%
Standard & Poor's 500 Index	1,500.18	-0.18%	0.96%	6.97%	6.97%
YIELDS AND PRICES	28-Jan-13	DoD change	WoW change	MoM change	Ytd change
91-Day Philippine Treasury Bill Yield (PDST-F)	0.2962	0.01%	-0.00%	-0.19%	-0.19%
1-Year Philippine Treasury Bill Yield (PDST-F)	0.9750	0.01%	-0.00%	-0.01%	-0.01%
ROP2021 (Price)	111.446	(0.42)	(0.42)	(0.98)	(0.98)
ROP2034 (Price)	135.416	(1.26)	(1.27)	(4.37)	(3.99)
3-Month US Treasury Yield	0.0608	-0.01%	-0.01%	0.03%	0.03%
2-year US Treasury Yield	0.2740	0.00%	0.02%	0.03%	0.03%
10-year US Treasury Yield	1.9613	0.01%	0.12%	0.26%	0.26%
30-year US Treasury Yield	3.1410	0.01%	0.11%	0.27%	0.27%
3-Month German Treasury Bill Yield	0.021	-0.00%	0.02%	0.02%	0.02%
Brent Crude Oil Spot (\$/bbl)	115.71	-0.07%	1.29%	3.37%	3.37%
Dubai Crude Oil Spot (\$/bbl)	108.53	-0.22%	1.71%	1.41%	1.41%
1-month Nymex oil futures (\$/bbl)	96.44	0.58%	0.92%	6.21%	6.21%
Gold Spot (\$/oz)	1,655.50	-0.19%	-2.04%	-0.02%	-0.02%
USD/PHP (PDEX close)	40.910	0.25	0.21	(0.14)	(0.14)

Source: Bloomberg

Asian Equity Markets

Asia Pacific Markets					
Last Trade as of		January 28 2013			
Country	Index	Value	DoD Change	% Change	
Asia Pacific	MSCI AC Asia Pacific Index	131.35	-	0.39	0.30
Australia	S&P/ASX 200 Index	4,835.17		0.00	0.00
China	Shanghai SE Comp Index	2,346.51	+	55.20	2.41
Hong Kong	Hang Seng Index	23,671.88	+	91.45	0.39
India	SENSEX	20,103.35	-	0.18	0.00
Indonesia	Jakarta Composite Index	4,416.94	-	20.66	0.47
Japan	Nikkei 225	10,824.31	-	102.34	0.94
Malaysia	KLCI	1,637.13		0.00	0.00
New Zealand	NZX 50 Index	4,204.44	+	4.62	0.11
Singapore	Straits Times Index	3,273.91	+	4.60	0.14
South Korea	KOSPI	1,939.71	-	6.98	0.36
Taiwan	TWSE	7,714.67	+	42.09	0.55
Thailand	SET Index	1,472.05	+	10.64	0.73

Local Bond Market

Peso Interest Rates (PDEX PDST-R2)									
	28Jan-13	25-Jan-13	Difference		28Jan-13	25-Jan-13	Difference		
1 month	0.2000	0.1250	+	0.075	4 year	3.4752	3.5199	-	0.045
3 month	0.1050	0.1250	-	0.020	5 year	3.6750	3.6450	+	0.030
6 month	0.4000	0.3350	+	0.065	7 year	3.7464	3.8568	-	0.110
1 year	0.9710	0.8771	+	0.094	10 year	4.0635	4.1155	-	0.052
2 year	2.2000	2.2135	-	0.013	20 year	5.3000	5.3529	-	0.053
3 year	3.0914	3.0650	+	0.026	25 year	5.3297	5.3949	-	0.065

Upcoming Economic Releases

Date	Philippines	Period Covered	Date	US	Period Covered
1/31/2013	Philippines GDP Constant 2000 Prices YoY	4Q	1/29/2013	Conference Board Consumer Confidence SA 1985=100	Jan
1/31/2013	Philippines National Accounts GDP Constant 2000 Prices QoQ SA	4Q	1/30/2013	Mortgage Bankers Association US Mortgage Market Indx Weekly % Change SA Old Meth	Jan 25
1/31/2013	Philippines Annual GDP Constant 2000 Prices Growth Rate	2012	1/30/2013	GDP US Chained 2005 Dollars QoQ SAAR	4Q A
2/5/2013	Philippines CPI All items YoY% 2006=100	Jan	1/31/2013	Federal Funds Target Rate US	Jan 30
2/5/2013	Philippines CPI All items MoM% 2006=100	Jan	1/31/2013	US Initial Jobless Claims SA	Jan 26
2/5/2013	Philippines Core Inflation YoY 2006=100	Jan	1/31/2013	US Personal Income MoM SA	Dec
2/7/2013	Philippines Gross Intl Reserves	Jan	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 F
			2/1/2013	ISM Manufacturing PMI SA	Jan

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