

Local

- The local equities market managed to eke out a gain along with regional peers following the release of disappointing US non-farm payrolls data last Friday. Yesterday, the PSEi gained 31.11 points or +0.52% to close at 6,042.25. Property (-0.04%) was the only index which suffered losses while mining and oil (+1.40%), services (+1.10%), and holding firms (+0.77%) started the week on a positive note. Market breadth was positive with 82 advances outnumbering 63 declines, while 46 issues were unchanged. Total value turnover amounted to Php5.96 billion. Foreign investors were net buyers at Php0.04 billion.
- According to the Chamber of Automotive Manufacturers of the Philippines Inc. (CAMPI), sales of local vehicle assemblers registered the highest level in 10 years on the back of strong demand exhibited in both passenger car (PC) and commercial vehicle (CV) segments. The group sold 15,642 units in January or 27% higher year-on-year from 12,303 units posted in the January 2013. PC sales for the period went up by 26% to 5,298 units from 4,190 units in January 2013 while sales of CVs climbed 27% to 10,335 units.
- Bangko Sentral ng Pilipinas (BSP) said that foreign direct investments soared by 55% in November 2013 to US\$286 million from US\$185 million registered in the same period in 2012. Net equity capital posted an inflow of US\$7 million in November from an outflow of US\$21 million a year ago while reinvested earnings dropped 44.3% to US\$55 million from US\$98 million. Moreover, the BSP said that gross equity capital placements mainly came from the United States, Japan and the United Kingdom, Hong Kong and Singapore. The central bank attributed the growth of FDI inflows to sustained investor confidence in the growth prospects of the economy.
- Prices of local government securities were lower yesterday as slight profit-taking was seen amid the lack of market moving news. Yields climbed by an average of 12.36 basis points led by the belly which rose by 13.8 basis points. The short- and long-ends of the curve rose by 10.6 and 12.3 basis points, respectively.
- The Philippine peso ended yesterday barely changed against the greenback as investors remained on the sidelines awaiting fresh leads from the market. The local currency strengthened by 1 centavo to close at USD/PHP44.975.

US and Europe

- US equities ended Monday with a gain as market players awaited new Federal Reserve Chair Janet Yellen's first congressional testimony. The Dow Jones Industrial Average edged up 7.71 points to 15,801.79 and the S&P 500 added 2.82 points to 1,799.84.
- For the month of January, the Conference Board's employment trends index rose to 116.61 following December's downwardly revised 115.62. On an annual basis, the index was up by 6%. According to Gad Levanon, director of macroeconomic research at the board, the index did not signal a slowdown in employment growth despite the weak jobs report for the months of December and January. Furthermore, they expect solid job growth and rapid declines in the unemployment rate to continue in the coming months.
- According to the Organization for Economic Cooperation and Development (OECD), the outlook for most advanced economies is getting better led by recovering in both the US and Japan. For the month of December, the OECD's monthly leading indicator inched up to 100.9 from November's 100.8. This was the highest level since February 2011. The reading for the US and Japan both rose to 101 and 101.4 from 100.9 and 101.3, respectively. The Euro-zone also improved to 101.1 from 100.9, which, as stated by the OECD, showed a positive change in momentum.
- US Treasury prices ended the day mixed as market players also remained on the sidelines ahead of the first congressional testimony from Federal Reserve chair Janet Yellen. The two-year note yield was up 0.8 basis points to 0.311% while the 10-year bond yield went down 1.2 basis points to 2.67%.
- European shares inched higher, ending a fourth straight day of gains as investors likewise lay in wait for Janet Yellen's upcoming testimony. The FTSEurofirst300 index ticked up 0.98 of a point to 1,301.09.
- The euro strengthened slightly against the US dollar as market players waited for US Fed Chair Janet Yellen's speech. The shared currency inched up 0.11 cents to EUR/USD1.3646.

Asia Pacific

- Most Asian markets continued to recover from last week's downfall as investors remained optimistic about global growth despite a weaker-than-expected jobs report in the US. Reports showed that the world's largest economy added 113,000 jobs in January, which was less than the 180,000 market estimate. In China, shares were bolstered by a statement by the Chinese central bank, saying it would guard against the risks from wealth management products and local government debt. China's Shanghai SE Comp Index (+2.03%), Japan's Nikkei 225 (+1.77%), and Australia's S&P/ASX 200 Index (+1.08%) posted the largest gains among peers. The MSCI All Country Asia Pacific Index advanced 0.97 points, or 0.73%, to 134.24.

Key Indicators

EQUITIES BENCHMARK INDICES	10-Feb-14	DoD change	WoW change	MoM change	Ytd change
Philippine Stock Exchange Index	6,042.25	0.52%	0.45%	3.41%	2.59%
MSCI World USD Index	1,616.78	0.31%	2.85%	-2.32%	-2.26%
MSCI All Country Asia Pacific ex-Japan Total Returns	358.96	0.22%	0.44%	-2.65%	-4.27%
MSCI Europe USD Index	1,724.01	0.28%	3.14%	-1.61%	-1.83%
FTSEurofirst 300 Index	1,301.09	0.08%	2.21%	-1.52%	-1.00%
Dow Jones Industrial Average Index	15,801.79	0.05%	2.79%	-3.86%	-4.11%
Standard & Poor's 500 Index	1,799.84	0.16%	3.33%	-2.31%	-2.26%
YIELDS AND PRICES	10-Feb-14	DoD change	WoW change	MoM change	Ytd change
91-Day Philippine Treasury Bill Yield (PDST-F)	1.2125	-0.04%	-0.40%	0.10%	0.72%
1-Year Philippine Treasury Bill Yield (PDST-F)	2.2000	-0.02%	-0.13%	0.14%	1.27%
ROP2021 (Price)	103.569	0.20	0.20	(0.31)	(0.05)
ROP2034 (Price)	119.807	0.26	0.71	1.45	0.25
3-Month US Treasury Yield	0.0558	-0.03%	0.03%	0.02%	-0.01%
2-year US Treasury Yield	0.3073	0.00%	0.01%	-0.06%	-0.08%
10-year US Treasury Yield	2.6674	-0.02%	0.09%	-0.19%	-0.33%
30-year US Treasury Yield	3.6503	-0.02%	0.12%	-0.15%	-0.29%
3-Month German Treasury Bill Yield	0.073	0.01%	0.03%	0.03%	0.01%
Brent Crude Oil Spot (\$/bbl)	109.36	0.00%	0.00%	0.00%	0.00%
Dubai Crude Oil Spot (\$/bbl)	104.73	1.40%	2.87%	1.30%	-3.64%
1-month Nymex oil futures (\$/bbl)	100.06	0.18%	3.76%	7.92%	-0.26%
Gold Spot (\$/oz)	1,274.78	0.59%	1.36%	2.11%	5.06%
USD/PHP (PDEX close)	44.975	(0.01)	(0.43)	0.27	0.58

Source: Bloomberg

Asian Equity Markets

Asia Pacific Markets					
Last Trade as of		February 10, 2013			
Country	Index	Value	DoD Change	% Change	
Asia Pacific	MSCI AC Asia Pac Index	134.24	+ 0.97	+ 0.73	
Australia	S&P/ASX 200 Index	5,222.15	+ 55.62	+ 1.08	
China	Shanghai SE Comp Index	2,086.07	+ 41.57	+ 2.03	
Hong Kong	Hang Seng Index	21,579.26	- 57.59	- 0.27	
India	SENSEX	20,334.27	- 42.29	- 0.21	
Indonesia	Jakarta Composite Index	4,450.75	- 15.92	- 0.36	
Japan	Nikkei 225	14,718.34	+ 255.93	+ 1.77	
Malaysia	KLCI	1,816.14	+ 7.55	+ 0.42	
New Zealand	NZX 50 Index	4,833.06	- 7.73	- 0.16	
Singapore	Straits Times Index	3,017.20	+ 4.06	+ 0.13	
South Korea	KOSPI	1,923.30	+ 0.80	+ 0.04	
Taiwan	TWSE	8,391.95	+ 4.60	+ 0.05	
Thailand	SET Index	1,290.66	- 5.83	- 0.45	

Local Bond Market

Peso Interest Rates (PDEX PDST-R2)							
	10-Feb-14	07-Feb-14	Difference		10-Feb-14	07-Feb-14	Difference
1 month	1.6000	1.6000	0.000	4 year	3.0807	3.1085	- 0.028
3 month	1.0000	1.0000	0.000	5 year	3.7500	3.3200	+ 0.430
6 month	1.6000	1.1500	+ 0.450	7 year	4.0000	4.0000	0.000
1 year	1.8500	1.8750	- 0.025	10 year	4.2917	4.2798	+ 0.012
2 year	2.6000	2.3634	+ 0.237	20 year	5.3500	5.0057	+ 0.344
3 year	2.8000	2.7500	+ 0.050	25 year	5.7894	5.7767	+ 0.013

Upcoming Economic Releases

Date	Philippines	Period Covered	Date	US	Period Covered
2/11/2014	Philippines External Trade Exports YoY	Dec	2/12/2014	Mortgage Bankers Association US Mortgage Market Indx Weekly % Change SA Old Meth	Feb 7
2/11/2014	Philippines External Trade Exports	Dec	2/13/2014	US Initial Jobless Claims SA	Feb 8
2/17/2014	Philippines Overseas Filipino Workers Remittances YoY	Dec	2/13/2014	Adjusted Retail & Food Services Sales SA Total Monthly % Change	Jan
2/17/2014	Philippines Overseas Filipino Workers Remittances	Dec	2/14/2014	US Industrial Production MoM 2007=100 SA	Jan
2/19/2014	Philippines BOP	Jan	2/14/2014	University of Michigan Survey of Consumer Confidence Sentiment	Feb P
			2/19/2014	US New Privately Owned Housing Units Started by Structure Total SAAR	Jan
			2/19/2014	US PPI By Processing Stage Finished Goods Total MoM SA	Jan
			2/20/2014	US CPI Urban Consumers MoM SA	Jan
			2/20/2014	Conference Board US Leading Index MoM	Jan
			2/21/2014	US Existing Homes Sales SAAR	Jan

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