

## Local

- The local equities market halted its five-day winning streak as investors cashed in gains after the PSEi's recent rally due to strong corporate earnings. The PSEi reversed its uptrend and lost 44.40 points, or -0.70%, to close at 6,308.36. Aside from mining and oil (+0.06%), all other indices were in the red with industrials (-1.58%), holding firms (-0.80%), and financials (-0.29%) incurring the heaviest losses. Market breadth was negative with 98 declines outnumbering 61 advances, while 45 issues were unchanged. Total value turnover amounted to Php7.45 billion. Foreign investors were net buyers at Php1.02 billion.
- Metro Pacific Investments Corp. (MPIC) is looking to expand its operations abroad related to its core water utility and tollroad businesses. In Thailand, MPIC plans to raise the stake held in joint venture with its Hong-Kong based parent conglomerate First Pacific Co. Ltd. for the Don Muang tollway project. Aside from this, the firm is looking at more assets in both Thailand and Indonesia.
- Philippine Long Distance Telephone Co. (PLDT) will be investing Php1.3 billion over two years as it seeks to strengthen its fiber network in northern Luzon. According to the telecommunications provider, the initiative is seen to make the network less susceptible to service disruptions such as fiber breaks. This program would benefit over 11 million PLDT mobile subscribers through subsidiaries Smart Communications and Sun Cellular, as well as the 450,000 customers of PLDT HOME.
- Prices of local government securities climbed last Friday as buying interest was seen on medium- and long-tenored buckets. On average, yields fell by 3.02 basis points with the belly and the long-end of the curve declining 5.2 and 2.6 basis points, respectively.
- The Philippine peso strengthened against the US dollar after the central bank announced that it was ready to intervene at any time to protect the local currency. The USD/PHP currency pair appreciated 21.5 centavos to end the week at 44.565.

## US and Europe

- US equities ended the week with a loss as market players speculated that the Federal Reserve would not hit pause on their stimulus cuts despite the recent spate of worse-than-expected economic data. The Dow Jones Industrial Average index lost 29.93 points, or -0.19%, to 16,103.30 and the S&P500 index gave up 3.53 points, or -0.19% to 1,836.25.
- US existing home sales dropped by 5.1% to an annual rate of 4.62 million last January, data released by the National Association of Realtors showed. Market consensus had predicted a drop to a rate of 4.67 million. The decline was brought about by dropping sales in all four regions of the country, indicating that cold weather was only partly accountable.
- US Homebuilders' confidence all fell as inclement weather conditions slowed both potential buyer traffic and sales. The National Association of Home Builders/Wells Fargo sentiment gauge fell to 46 in February from January's 56, which was the largest decline ever recorded.
- US Treasury prices rose as investors adopted a risk-off sentiment following the release of weaker-than-expected home sales data that was not just due to harsh weather conditions. The 10-year benchmark yield dropped 2 basis points to 2.73%.
- European shares rallied after Ukraine was able to come to an agreement on early elections. The deal entails snap presidential elections come December, as well as a national unity government within ten days. The FTSEurofirst300 index rose 0.32% to 1,343.12.
- The euro held its ground against the US dollar on Friday as weak economic data from the world's largest economy stoked concerns on the country's growth trajectory. The shared currency added 0.27 cents to EUR/USD to 1.3746.

## Asia Pacific

- Except for China, all Asian markets monitored rallied last Friday following favorable overnight gains in the US. Gains were led by Japan (+2.88%), which benefitted from bargain hunting as well as yen weakness. The next best performers were South Korea's KOSPI (+1.41%) and Indonesia's Jakarta Composite Index (+1.04%). The MSCI All Country Asia Pacific Index advanced 1.66 points, or 1.22%, to 137.40. China (-1.17%), meanwhile, posted its biggest decline in almost 7 weeks, hurt by declines in oil companies.

## Key Indicators

<b>EQUITIES BENCHMARK INDICES</b>	<b>21-Feb-14</b>	<b>DoD change</b>	<b>WoW change</b>	<b>MoM change</b>	<b>Ytd change</b>
Philippine Stock Exchange Index	6,308.36	-0.70%	3.18%	4.80%	7.11%
MSCI World USD Index	1,659.85	0.23%	0.59%	0.02%	0.34%
MSCI All Country Asia Pacific ex-Japan Total Returns	371.57	0.74%	0.94%	0.56%	-0.90%
MSCI Europe USD Index	1,793.72	0.62%	1.27%	1.43%	2.14%
FTSEurofirst 300 Index	1,343.12	0.32%	0.81%	-0.17%	2.19%
Dow Jones Industrial Average Index	16,103.30	-0.19%	-0.32%	-1.90%	-2.28%
Standard & Poor's 500 Index	1,836.25	-0.19%	-0.13%	-0.41%	-0.28%
<b>YIELDS AND PRICES</b>	<b>21-Feb-14</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)	1.2021	0.00%	0.01%	0.20%	0.71%
1-Year Philippine Treasury Bill Yield (PDST-F)	1.9925	0.01%	0.04%	-0.05%	1.06%
ROP2021 (Price)	104.291	(0.08)	0.59	0.44	0.67
ROP2034 (Price)	122.114	(0.34)	1.80	2.61	2.56
3-Month US Treasury Yield	0.0355	-0.01%	0.03%	0.00%	-0.03%
2-year US Treasury Yield	0.3142	-0.00%	0.00%	-0.06%	-0.07%
10-year US Treasury Yield	2.7310	-0.02%	-0.01%	-0.10%	-0.27%
30-year US Treasury Yield	3.6934	-0.03%	-0.00%	-0.05%	-0.24%
3-Month German Treasury Bill Yield	0.055	0.00%	0.00%	-0.02%	-0.01%
Brent Crude Oil Spot (\$/bbl)	109.36	0.00%	0.00%	0.00%	0.00%
Dubai Crude Oil Spot (\$/bbl)	106.74	-0.04%	1.25%	3.08%	-1.79%
1-month Nymex oil futures (\$/bbl)	102.20	-0.70%	1.89%	7.59%	1.87%
Gold Spot (\$/oz)	1,324.28	0.10%	0.42%	6.68%	9.14%
USD/PHP (PDEX close)	44.565	(0.22)	(0.17)	(0.69)	0.17

Source: Bloomberg

## Asian Equity Markets

<b>Asia Pacific Markets</b>					
		Last Trade as of February 21, 2013			
Country	Index	Value	DoD Change	% Change	
Asia Pacific	MSCI AC Asia Pac Index	137.40	+ 1.66	+ 1.22	
Australia	S&P/ASX 200 Index	5,438.70	+ 26.36	+ 0.49	
China	Shanghai SE Comp Index	2,113.69	- 25.09	- 1.17	
Hong Kong	Hang Seng Index	22,568.24	+ 174.16	+ 0.78	
India	SENSEX	20,700.75	+ 164.11	+ 0.80	
Indonesia	Jakarta Composite Index	4,646.15	+ 47.93	+ 1.04	
Japan	Nikkei 225	14,865.67	+ 416.49	+ 2.88	
Malaysia	KLCI	1,830.74	+ 2.93	+ 0.16	
New Zealand	NZX 50 Index	4,927.64	+ 17.81	+ 0.36	
Singapore	Straits Times Index	3,099.93	+ 13.29	+ 0.43	
South Korea	KOSPI	1,957.83	+ 27.26	+ 1.41	
Taiwan	TWSE	8,601.86	+ 77.24	+ 0.91	
Thailand	SET Index	1,304.21	+ 0.23	+ 0.02	

## Local Bond Market

<b>Peso Interest Rates (PDEX PDST-R2)</b>							
	21-Feb-14	20-Feb-14	Difference		21-Feb-14	20-Feb-14	Difference
1 month	1.5000	1.5000	0.000	4 year	3.1350	3.5000	- 0.365
3 month	1.0000	1.0000	0.000	5 year	3.8500	3.8750	- 0.025
6 month	1.6000	1.6000	0.000	7 year	4.0000	4.0000	0.000
1 year	1.8000	1.8250	- 0.025	10 year	4.0500	4.0500	0.000
2 year	2.3500	2.2735	+ 0.077	20 year	5.0513	5.2000	- 0.149
3 year	2.6549	2.6024	+ 0.052	25 year	5.6956	5.6234	+ 0.072

## Upcoming Economic Releases

Date	Philippines	Period Covered	Date	US	Period Covered
2/25/2014	Philippines External Balance of Trade	Dec	2/25/2014	Conference Board Consumer Confidence SA 1985=100	Feb
2/25/2014	Philippines External Trade Imports YoY	Dec	2/26/2014	Mortgage Bankers Association US Mortgage Market Indx Weekly % Change SA Old Meth	Feb 21
2/25/2014	Philippines External Trade Imports	Dec	2/27/2014	US Initial Jobless Claims SA	Feb 22
3/5/2014	Philippines CPI All items YoY% 2006=100	Feb	2/27/2014	US Durable Goods New Orders Industries MoM SA	Jan
3/5/2014	Philippines CPI All items MoM% 2006=100	Feb	2/28/2014	GDP US Chained 2009 Dollars QoQ SAAR	4Q S
3/5/2014	Philippines Core Inflation YoY 2006=100	Feb	2/28/2014	University of Michigan Survey of Consumer Confidence Sentiment	Feb F
3/7/2014	Philippines Gross Intl Reserves	Feb	3/3/2014	ISM Manufacturing PMI SA	Feb
			3/6/2014	US Manufacturers New Orders Total MoM SA	Jan
			3/7/2014	US Employees on Nonfarm Payrolls Total MoM Net Change SA	Feb
			3/7/2014	U-3 US Unemployment Rate Total in Labor Force Seasonally Adjusted	Feb

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