

Local

- The local equities market rose yesterday as foreign investment flowed at its highest level in two weeks into the Philippine market. The PSEi ended the day back in the 6,800 territory, gaining 40.11 points, or +0.59%, to close at 6,802.73. Only financials (-0.11%) and mining and oil (-0.10%) incurred losses while holding firms (+0.81%), property (+0.74%), and services (+0.33%) booked gains. Market breadth is positive with 98 advances outnumbering 73 declines, while 47 issues were unchanged. Total value turnover amounted to Php6.24 billion. Foreign investors were net buyers at Php0.56 billion.
- Aboitiz Equity Ventures Inc. (AEV) is raising Php2 billion for the planned construction of a biomass power facility worth US\$50 million. According to the regulatory filing, the conglomerate's subsidiary, Aseagas Corp. entered into a notes facility and security agreement in the amount of up to Php2 billion with the Development Bank of the Philippines. The plant, which will be located in Lian, Batangas, will have a capacity of roughly 9,000 metric tons of biomethane per year and will be completed in 18 months.
- According to the Governance Commission for GOCCs (GCG), the government-owned and-controlled corporations (GOCCs) remitted a total of Php32.31 billion to the government last year or 15.8% higher than the Php27.9 billion registered in 2012. The Land Bank of the Philippines had the most dividends remitted with Php6.298 billion while the Philippine Amusement and Gaming Corp. had the highest total remittances with Php9.79 billion.
- On the local fixed income market, yields rose on thin volumes amid the lack of fresh market leads. Yields across the curve climbed by an average of 2.39 basis points with the long-end of the curve and the belly rising by 3.9 and 3.2 basis points, respectively.
- The Philippine peso sustained its strength against the greenback on continued speculation of an interest rate hike by the central bank. The local currency gained 6.50 centavos to close at 43.585.

US and Europe

- US equities closed slightly higher lifted by aggressive M&A activity and the European Central Bank's decision to cut rates, which continued to positively affect market sentiment. The S&P 500 index advanced 1.83 points, or 0.09%, to close at 1,951.247, while the Dow Jones Industrial Average index rose 18.82 points, or 0.11%, to close at 16,943.10.
- The US Conference Board (CB) announced that its employment trends index advanced to 118.58 from a revised 117.32 in April, which was first reported as 117.77. The Board attributed the decrease in unemployment to the need for employers to expand their payrolls in light of the strengthening economic expansion. The CB employment trends index is comprised of an aggregate of eight labor market indicators such as job openings data from the Bureau of Labor Statistics and industrial production figures from the Federal Reserve.
- US Treasuries lost ground amid the release of strong economic data out of Japan, China, and the US. The two-year yield advanced 2.4 basis points to close at 0.419%, while the ten-year bond yield rose 2.3 basis points to close at 2.603%.
- European equities continued to gain ground as the tailwind of the European Central Bank's decision to provide the economy with additional stimulus measures continues to seep into markets. The FTSEurofirst300 index rose 5.23 points to close at 1,393.71.
- The euro slightly depreciated against the greenback as markets cautiously await the European Central Bank's implementation of the rate cuts on the 11th of June. The EUR/USD closed at 1.3593.

Asia Pacific

- Most Asian shares ended higher Monday following favorable economic reports in the world's largest economies. In the US, employment data showed employers added 217,000 jobs in May, beating economists' forecast of 215,000. In China, export figures (+7% year-on-year in May) suggested that global demand for Chinese products had stabilized. In Japan, the government revised its estimate for 1Q2014 GDP from 5.9% to 6.7%. This was a positive surprise when consensus predicted that the government would revise the number lower. Hong Kong's Hang Seng Index (+0.73%), India's SENSEX (+0.72%), and Japan's Nikkei 225 (+0.31%) posted the largest gains among peers. The MSCI All Country Asia Pacific Index increased 0.25 points, or 0.17%, to 143.50.

Key Indicators

EQUITIES BENCHMARK INDICES		09-Jun-14	DoD change	WoW change	MoM change	Ytd change
Philippine Stock Exchange Index		6,802.73	0.59%	1.38%	-0.65%	15.50%
MSCI World USD Index		1,735.98	0.09%	1.09%	3.13%	4.95%
MSCI All Country Asia Pacific ex-Japan Total Returns		401.07	0.29%	0.77%	3.85%	6.96%
MSCI Europe USD Index		1,839.56	0.03%	0.83%	1.58%	4.75%
FTSEurofirst 300 Index		1,393.71	0.38%	0.96%	2.83%	6.04%
Dow Jones Industrial Average Index		16,943.10	0.11%	1.19%	2.17%	2.82%
Standard & Poor's 500 Index		1,951.27	0.09%	1.37%	3.87%	5.97%
YIELDS AND PRICES		09-Jun-14	DoD change	WoW change	MoM change	Ytd change
91-Day Philippine Treasury Bill Yield (PDST-F)		1.2771	-0.01%	0.03%	-0.08%	0.79%
1-Year Philippine Treasury Bill Yield (PDST-F)		2.0417	-0.02%	-0.12%	-0.17%	1.11%
ROP2021 (Price)		106.749	(0.02)	(0.46)	0.47	3.13
ROP2034 (Price)		128.391	(0.13)	(1.12)	0.06	8.83
3-Month US Treasury Yield		0.0304	0.00%	0.01%	0.01%	-0.03%
2-year US Treasury Yield		0.4188	0.02%	0.03%	0.04%	0.03%
10-year US Treasury Yield		2.6032	0.02%	0.08%	-0.02%	-0.40%
30-year US Treasury Yield		3.4388	0.01%	0.07%	-0.02%	-0.50%
3-Month German Treasury Bill Yield		-0.019	-0.01%	-0.02%	-0.04%	-0.08%
Brent Crude Oil Spot (\$/bbl)		109.36	0.00%	0.00%	0.00%	0.00%
Dubai Crude Oil Spot (\$/bbl)		105.09	-0.21%	-0.28%	0.22%	-3.31%
1-month Nymex oil futures (\$/bbl)		104.41	1.70%	1.89%	4.42%	4.08%
Gold Spot (\$/oz)		1,252.34	-0.07%	0.67%	-2.83%	3.21%
USD/PHP (PDEX close)		43.585	(0.06)	(0.21)	(0.06)	(0.81)

Source: Bloomberg

Asian Equity Markets

Asia Pacific Markets					
Last Trade as of June 09, 2014					
Country	Index	Value	DoD Change	% Change	
Asia Pacific	MSCI AC Asia Pacific Index	143.50	+	0.25	+ 0.17
Australia	S&P/ASX 200 Index	5,464.03		0.00	0.00
China	Shanghai SE Comp Index	2,030.50	+	0.55	+ 0.03
Hong Kong	Hang Seng Index	23,117.47	+	166.47	+ 0.73
India	SENSEX	25,580.21	+	183.75	+ 0.72
Indonesia	Jakarta Composite Index	4,885.08	-	52.09	- 1.06
Japan	Nikkei 225	15,124.00	+	46.76	+ 0.31
Malaysia	KLCI	1,863.69	+	0.99	+ 0.05
New Zealand	NZX 50 Index	5,187.35	+	4.91	+ 0.09
Singapore	Straits Times Index	3,305.20	+	5.77	+ 0.17
South Korea	KOSPI	1,990.04	-	5.44	- 0.27
Taiwan	TWSE	9,162.74	+	28.28	+ 0.31
Thailand	SET Index	1,457.30	-	0.72	- 0.05

Local Bond Market

Peso Interest Rates (PDEX PDST-R2)							
	09-Jun-14	06-Jun-14	Difference		09-Jun-14	06-Jun-14	Difference
1 month	1.2500	1.2500	0.000	4 year	3.0500	3.0123	+ 0.038
3 month	1.0150	1.0150	0.000	5 year	3.3250	3.3015	+ 0.024
6 month	1.3750	1.2995	+ 0.075	7 year	3.5972	3.4975	+ 0.100
1 year	1.7033	1.7719	- 0.069	10 year	3.9000	3.8000	+ 0.100
2 year	2.3491	2.3452	+ 0.004	20 year	4.8500	4.8500	0.000
3 year	2.6600	2.6624	- 0.002	25 year	5.0579	5.0403	+ 0.0176

Upcoming Economic Releases

Date	Philippines	Period Covered	Date	US	Period Covered
6/10/2014	Philippines External Trade Exports YoY	Apr	6/11/2014	Mortgage Bankers Association US Mortgage Market Indx Weekly % Change SA Old Meth	Jun 6
6/10/2014	Philippines Labor Force Survey Unemployment Rate New Concept	Apr	6/12/2014	US Initial Jobless Claims SA	Jun 7
6/10/2014	Philippines External Trade Exports	Apr	6/12/2014	Adjusted Retail & Food Services Sales SA Total Monthly % Change	May
6/16/2014	Philippines Overseas Filipino Workers Remittances YoY	Apr	6/13/2014	University of Michigan Survey of Consumer Confidence Sentiment	Jun P
6/16/2014	Philippines Overseas Filipino Workers Remittances	Apr	6/16/2014	US Empire State Manufacturing Survey General Business Conditions SA	Jun
6/19/2014	Philippines BOP	May	6/16/2014	US Industrial Production MoM 2007=100 SA	May
6/19/2014	Philippines Overnight Reverse Repurchase Agreement RRP Rate	Jun 19	6/17/2014	US CPI Urban Consumers MoM SA	May
			6/17/2014	US New Privately Owned Housing Units Started by Structure Total SAAR	May
			6/19/2014	Federal Funds Target Rate US	Jun 18
			6/19/2014	Conference Board US Leading Index MoM	May

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