

Local

- The local equities market continued to rise, gaining 34.69 points or 0.51% to close at 6,893.98, primarily driven by portfolio rebalancing prior to the quarter-end close. Most sectoral indices were down, with the mining and oil sector losing the most at -1.43%, while property (+1.36%) and holding firms (+0.78%) bucked the trend. Market breadth was negative with 96 declines outnumbering 80 advances, while 32 issues remained unchanged. Total value turnover reached Php8.52 billion. Foreign investors were net buyers at Php464 million.
- According to the data released by the BSP, the country's international investment position (IIP) improved as net liability declined to US\$39.2 billion as of end-June from US\$43.2 billion at end-March 2015. The improvement was a result of the decline in the total financial liabilities, which stood at US\$3.5 billion, as those liabilities were revalued and some were redeemed. Meanwhile, the total financial assets rose by US\$500 million due to the residents' increased investments in equity and debt securities issued by non-residents.
- Manny Pangilinan-led telco giant, PLDT (PSE ticker: TEL) created a US-based investment unit, PLDT Capital, to support the telco's plan of accelerating expansion of their digital services in the Philippines, Southeast Asia and Asia Pacific. The newly formed investment arm, which will be based in the Silicon Valley, will inject US\$50 million this year to scout for investments and establish business partnerships with TEL's business units.
- On the local fixed income space, prices of government securities appreciated as market players took positions ahead of the quarter-end close and following statements from key government officials on their positive outlook on the Philippine economy. Yields went down by 3.09 bps on average led by the belly of the curve, as it dropped 9.8 basis points. On the other hand, both the short and long-ends of the curve bucked the trend, rising 2.5 and 0.7 bps, respectively.
- The Peso slightly appreciated against the greenback as investors took positions in Philippine assets on quarter-end rebalancing. The local currency strengthened 19 centavos to close at Php 46.740 to the US dollar.

US and Europe

- US equities rallied as investors picked up the third quarter's oversold companies. Energy, raw-material and health-care shares were among the leaders after falling the most since June. The Dow Jones Industrial Average recovered 1.47% to close at 16,284.70 while the S&P 500 rallied to 1,920.03 points, up 1.91% from the previous day.
- Companies in the US private sector added 200,000 jobs in September, according to the payroll processor ADP. This was higher than market expectation of 190,000 and August revised print of 186,000. According to Bloomberg, the ADP employment report is not likely to shake up the outlook for the Bureau of Labor Statistic's monthly nonfarm payroll data.
- Mortgage activity for the week ended September 25 fell by 6% following the FOMC's decision not to hike rates last week. Nonetheless, the purchase index is still up 20% year-to-date. The refinance index also declined by 8% in the same period.
- US Treasury yields slightly declined across the curve except for the 30-year, which ended flat day-on-day. Two-year yields were down by 2 basis points and closed at 0.6289%, while 10-year yields fell by 1 basis point to close at 2.0368%.
- European equities ended the day higher as equity markets rallied globally. The FTSEurofirst 300 rose 2.56% to close at the 1,370.54 level.
- The US Dollar traded flat with a slight downward bias relative to the Euro yesterday. Renewed risk-on sentiment in Europe along with a mild rebound in Asia-Pacific, set the tone as investors waited for inflation results out of the Eurozone, US employment and commentary due out from the Fed. The EUR/USD pair fell 0.02 US cents, or -0.18%, to close yesterday's trading at the 1.1215 level.

Asia Pacific

- Both the Japanese Nikkei and Chinese CSI 300 climbed slightly yesterday on recovering risk sentiment in Asia, despite sliding Japanese industrial production. In China, tax breaks on small vehicle purchases spurred hope of further stimulus policy. The Nikkei and CSI 300 gained 457.31 points (+2.70%, day-on-day) and 24.09 points (+0.76%, day-on-day), respectively.

Key Indicators

EQUITIES BENCHMARK INDICES	30-Sep-15	DoD change	WoW change	MoM change	Ytd change
Philippine Stock Exchange Index	6,893.98	0.51%	-0.48%	-2.89%	-4.66%
MSCI World USD Index	1,581.92	2.03%	-0.92%	-4.59%	-8.65%
MSCI All Country Asia Pacific ex-Japan Total Returns	334.53	1.87%	-0.17%	-2.90%	-13.97%
MSCI Europe USD Index	1,490.23	2.04%	0.41%	-5.02%	-8.46%
FTSEurofirst 300 Index	1,370.54	2.56%	0.32%	-4.50%	-0.46%
Dow Jones Industrial Average Index	16,284.70	1.47%	0.03%	-2.15%	-9.72%
Standard & Poor's 500 Index	1,920.03	1.91%	-0.97%	-3.46%	-8.16%
YIELDS AND PRICES	30-Sep-15	DoD change	WoW change	MoM change	Ytd change
91-Day Philippine Treasury Bill Yield (PDST-F)	1.6817	-0.00%	0.29%	-0.06%	-0.69%
1-Year Philippine Treasury Bill Yield (PDST-F)	2.5467	0.12%	0.81%	0.62%	0.12%
ROP2021 (Price)	107.613	0.24	(0.84)	(0.32)	(0.64)
ROP2034 (Price)	130.806	0.36	(3.12)	(2.25)	(3.07)
3-Month US Treasury Yield	-0.0203	-0.01%	-0.03%	-0.07%	-0.02%
2-year US Treasury Yield	0.6289	-0.02%	-0.07%	-0.09%	-0.08%
10-year US Treasury Yield	2.0368	-0.01%	-0.11%	-0.14%	-0.17%
30-year US Treasury Yield	2.8538	0.00%	-0.09%	-0.06%	0.08%
3-Month German Treasury Bill Yield	-0.376	0.01%	-0.00%	-0.04%	-0.19%
Dubai Crude Oil Spot (\$/bbl)	44.04	0.18%	-4.03%	-6.81%	-21.79%
1-month Nymex oil futures (\$/bbl)	45.09	-0.31%	1.37%	-0.29%	-15.89%
Gold Spot (\$/oz)	1,115.07	-1.10%	-1.35%	-1.63%	-5.77%
USD/PHP (PDEX close)	46.740	(0.19)	(0.09)	0.01	2.02

Source: Bloomberg

Asian Equity Markets

Asia Pacific Markets					
		Last Trade as of September 30, 2015			
Country	Index	Value	DoD Change	% Change	
Asia Pacific	MSCI AC Asia Pacific Index	123.82	+ 2.73	+ 2.25	
Australia	S&P/ASX 200 Index	5,021.63	+ 103.20	+ 2.10	
China	Shanghai SE Comp Index	3,052.78	+ 14.65	+ 0.48	
Hong Kong	Hang Seng Index	20,846.30	+ 289.70	+ 1.41	
India	SENSEX	26,154.83	+ 376.17	+ 1.46	
Indonesia	Jakarta Composite Index	4,223.91	+ 45.50	+ 1.09	
Japan	Nikkei 225	17,388.15	+ 457.31	+ 2.70	
Malaysia	KLCI	1,621.04	+ 17.72	+ 1.11	
New Zealand	NZX 50 Index	5,593.36	- 19.06	- 0.34	
Singapore	Straits Times Index	2,790.89	+ 2.95	+ 0.11	
South Korea	KOSPI	1,962.81	+ 19.96	+ 1.03	
Taiwan	TWSE	8,181.24	+ 48.89	+ 0.60	
Thailand	SET Index	1,349.00	+ 0.16	+ 0.01	

Local Bond Market

Peso Interest Rates (PDEX PDST-R2)							
	30-Sep-15	29-Sep-15	Difference		30-Sep-15	29-Sep-15	Difference
1 month	1.6783	1.6833	- 0.005	4 year	3.7263	3.7383	- 0.012
3 month	1.6817	1.6850	- 0.003	5 year	3.4923	3.4545	+ 0.038
6 month	1.7967	1.8050	- 0.008	7 year	4.1617	4.1783	- 0.017
1 year	2.5467	2.4300	+ 0.117	10 year	3.7995	3.7658	+ 0.034
2 year	2.6143	3.1135	- 0.499	20 year	5.1350	5.1483	- 0.013
3 year	3.1016	3.1025	- 0.001				

Upcoming Economic Releases

Date	Philippines	Period Covered	Date	US	Period Covered
10/1/2015	Philippines Budget Balance Monthly	Aug	10/1/2015	US Initial Jobless Claims SA	Sep 25
10/6/2015	Philippines CPI All items YoY% 2006=100	Sep	10/1/2015	ISM Manufacturing PMI SA	Sep
10/6/2015	Philippines CPI All items MoM% 2006=100	Sep	10/1/2015	Census Bureau US Construction Spending MoM SA	Aug
10/6/2015	Philippines Core Inflation YoY 2006=100	Sep	10/2/2015	US Employees on Nonfarm Payrolls Total MoM Net Change SA	Sep
10/7/2015	Philippines Gross Intl Reserves	Sep	10/2/2015	U-3 US Unemployment Rate Total in Labor Force Seasonally Adjusted	Sep
10/9/2015	Philippines External Trade Exports YoY	Aug	10/2/2015	US Manufacturers New Orders Total MoM SA	Aug
10/9/2015	Philippines External Trade Exports	Aug	10/6/2015	US Trade Balance of Goods and Services SA	Aug
			10/7/2015	MBA US US Mortgage Market Index Weekly % Change SA Old Meth	Sep 25
			10/9/2015	US Import Price Index by End Use All MoM NSA	Sep

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