

News Briefs

Local

- The local equities market managed to continue its upward trend yesterday with TEL (+1.15%) leading index gains after a strong 3Q earnings report. Investor sentiment was also buoyed by the October CPI figure which clocked in at 3.1%, better than consensus estimates of 3.5%. Financials also gained as MBT (+1.33%), BPI (+0.71%) and BDO (+1.01%) all posted robust corporate earnings results. However, market gains were tempered by ALI (-3.82%) and DMC (-2.41%) as the former reacted to the draft rules issued by the SEC on foreign ownership. The main-share index gained 15.79 points, or +0.29%, to close at 5,473.61. Market breadth was positive with 96 advances and 78 declines with 35 stocks unchanged. Value turnover was at 8.37 billion.
- According to the Bureau of Agricultural Statistics, the country's agricultural production rose at a slower rate of 1.93% in the first nine months of 2012 from 4.72% a year ago. This was brought about by the continued slowdown in fish production. The fisheries subsector, which accounted for 19.37% of the total agricultural production, contracted by 2.57% during the first nine months of year. However, the gross value of fisheries production registered at Php117.4 billion or 3.10% higher than last year's earnings.
- San Miguel Pure Foods Co., Inc, a unit of listed firm San Miguel Corp, reported a 31.66% increase in its third quarter net income to Php1.23 billion from Php934.25 million in the same period last year. This is mainly attributed to higher sales volume in almost all businesses brought about by the company's effective sales and marketing activities, new product introductions and improved distribution network as well as slightly improved selling prices. The company said that the growth in sales revenues and its initiatives to improve operational efficiencies partly tempered the impact of higher raw materials.
- In the local bond market, follow-through buying was observed yesterday. Better-than-expected inflation figures also boosted investor sentiment. In general yields declined by an average of 4 basis points, led by the short end of the curve which dropped by 10.7 basis points. The belly and long end of the curve also slid by 0.7 and 0.6 basis points, respectively.
- The Philippine peso strengthened during yesterday's trading session after the CPI figure released was better than consensus estimates. The local currency picked up 3 centavos to close at 41.210.

US and Europe

- US equities closed on a positive note as investors surmised that just getting the Presidential election over with could provide a respite regardless of who wins. The Dow Jones Industrial Average index soared 133.24 points to close at 13,245.68 while the S&P500 index gained 11.33 points, or +0.8%, to 1,428.39.
- Last September, job openings in the US fell to a 5-month low. This signaled that the uneven improvement in the labor market may extend until year end. The number of job openings dropped by 100,000 to 3.56 million from the previous month. Data from the Department of Labor showed that the level of job openings has cooled since its peak of 3.74 million in March. There are 3.4 unemployed workers per job opening. This figure, though better than the registered figure of 6 job seekers for every opening in 2009, remained flat for most of this year.
- The economy in the Euro-zone continued to show more signs of stress as German Factory orders fell last September, the most in a year as the region's fiscal crisis and cooling economic growth kept companies from making big investments. According to the Economy Ministry in Berlin, orders dropped by 3.3%, much lower than market estimates of a 0.4% drop. This is the second consecutive and biggest drop since September 2011.
- US Treasury prices slipped back as the Treasury Department's sale of US\$32 billion three-year debt drew little demand due to uncertainties about the presidential election. The two-year note yield increased 2.4 basis points to 0.302% while the 10-year bond yield jumped 6.5 basis points to 1.751%.
- European equities picked up as investors were more focused on the US presidential election rather than weak manufacturing data and the upcoming key parliamentary vote in Greece this coming Wednesday. The FTSEurofirst300 index took back 6.19 points to close at 1,114.77.

- The euro slid against the greenback yesterday as investors anxiously awaited the results of Greece's parliamentary vote on austerity measures, which is needed to keep a bailout on track. The shared currency gave back 0.2 cents to close at US\$1.278.

Asia Pacific

- Asian shares ended mixed on Tuesday, with most markets trading sideways, as investors continued to stay on the sidelines ahead of the US election results. Polls from Wall Street Journal/NBC last Sunday showed that the presidential race was close. Investors also awaited China's 18th Party Congress where roughly two-thirds of the important posts in the government, military, and Communist Party will be filled. The MSCI All Country Asia Pacific Index closed flat, increasing 0.15 points, or 0.12%, to 122.44.

Key Indicators

EQUITIES BENCHMARK INDICES	06-Nov-12	DoD change	WoW change	MoM change	Ytd change
Philippine Stock Exchange Index	5,473.61	0.29%	0.86%	0.62%	25.20%
MSCI World USD Index	1,311.42	0.62%	0.71%	-1.74%	10.89%
MSCI All Country Asia Pacific ex-Japan Total Returns	348.39	0.46%	1.28%	0.35%	16.72%
MSCI Europe USD Index	1,380.51	0.72%	-0.26%	-1.71%	9.95%
FTSEurofirst 300 Index	1,114.77	0.56%	1.06%	0.28%	11.32%
Dow Jones Industrial Average Index	13,245.68	1.02%	1.06%	-2.68%	8.42%
Standard & Poor's 500 Index	1,428.39	0.79%	1.17%	-2.23%	13.58%
YIELDS AND PRICES	06-Nov-12	DoD change	WoW change	MoM change	Ytd change
91-Day Philippine Treasury Bill Yield (PDST-F)	0.6462	-0.04%	-0.17%	-0.37%	-1.01%
1-Year Philippine Treasury Bill Yield (PDST-F)	1.1250	-0.01%	-0.10%	-0.46%	-0.85%
ROP2021 (Price)	113.107	0.16	1.46	0.56	10.76
ROP2037 (Price)	140.032	0.14	1.42	1.51	20.86
3-Month US Treasury Yield	0.0915	0.01%	-0.02%	-0.00%	0.08%
2-year US Treasury Yield	0.3015	0.03%	0.01%	0.04%	0.06%
10-year US Treasury Yield	1.7507	0.07%	0.03%	0.01%	-0.13%
30-year US Treasury Yield	2.9203	0.04%	0.04%	-0.05%	0.03%
3-Month German Treasury Bill Yield	-0.083	-0.00%	-0.01%	-0.04%	0.09%
Brent Crude Oil Spot (\$/bbl)	111.76	2.91%	0.33%	-1.19%	2.83%
Dubai Crude Oil Spot (\$/bbl)	105.48	2.28%	-1.27%	-2.70%	0.61%
1-month Nymex oil futures (\$/bbl)	88.71	3.57%	3.54%	-1.30%	-10.24%
Gold Spot (\$/oz)	1,716.00	1.84%	0.37%	-3.63%	9.74%
USD/PHP (PDEX close)	41.210	(0.03)	0.01	(0.22)	(2.63)

Source: Bloomberg

Asian Equity Markets

Asia Pacific Markets					
Last Trade as of November 06, 2012					
Country	Index	Value	DoD Change	% Change	
Asia Pacific	MSCI AC Asia Pacific Index	122.44	+	0.15	+ 0.12
Australia	S&P/ASX 200 Index	4,484.80	+	10.68	+ 0.24
China	Shanghai SE Comp Index	2,106.00	-	8.03	- 0.38
Hong Kong	Hang Seng Index	21,944.43	-	61.97	- 0.28
India	SENSEX	18,817.38	+	54.51	+ 0.29
Indonesia	Jakarta Composite Index	4,314.27	+	11.33	+ 0.26
Japan	Nikkei 225	8,975.15	-	32.29	- 0.36
Malaysia	KLCI	1,645.63	-	8.41	- 0.51
New Zealand	NZX 50 Index	3,927.67	+	19.41	+ 0.50
Singapore	Straits Times Index	3,019.33	-	12.36	- 0.41
South Korea	KOSPI	1,928.17	+	19.95	+ 1.05
Taiwan	TWSE	7,236.68	+	51.32	+ 0.71
Thailand	SET Index	1,300.84	-	5.86	- 0.45

Local Bond Market

Peso Interest Rates (PDEX PDST-R2)									
	06-Nov-12	05-Nov-12	Difference		06-Nov-12	05-Oct-12	Difference		
1 month	0.3075	1.0250	-	0.718	4 year	4.1021	4.1371	-	0.035
3 month	0.4750	0.3055	+	0.170	5 year	4.1098	4.3495	-	0.240
6 month	0.7150	0.7150	+	0.000	7 year	4.5300	4.5462	-	0.016
1 year	0.9500	0.8315	+	0.119	10 year	4.7000	4.7000	-	0.000
2 year	2.5250	2.5850	-	0.060	20 year	5.7200	5.7250	-	0.005
3 year	3.5000	3.1849	+	0.315	25 year	5.9336	5.9452	-	0.012

Upcoming Economic Releases

Date	Philippines	Period Covered	Date	US	Period Covered
11/7/2012	Philippines Gross Intl Reserves	Oct	11/7/2012	Mortgage Bankers Association US Mortgage Market Indx Weekly % Change SA Old Meth	Nov 2
11/9/2012	Philippines Money Supply M3 YoY	Sep	11/8/2012	US Initial Jobless Claims SA	Nov 3
11/9/2012	Philippines Commercial Banks Loans Outstanding Total Gross YoY	Sep	11/8/2012	US Trade Balance Balance Of Payments SA	Sep
11/9/2012	Philippines Commercial Banks Loan Outstanding Total Net YoY	Sep	11/9/2012	University of Michigan Survey of Consumer Confidence Sentiment	Nov P
11/13/2012	Philippines External Trade Exports YoY	Sep	11/9/2012	Merchant Wholesalers Inventories Total Monthly % Change	Sep
11/13/2012	Philippines External Trade Exports	Sep	11/14/2012	Adjusted Retail & Food Services Sales SA Total Monthly % Change	Oct
11/15/2012	Philippines Overseas Filipino Workers Remittances YoY	Sep	11/14/2012	US PPI By Processing Stage Finished Goods Total MoM SA	Oct
11/15/2012	Philippines Overseas Filipino Workers Remittances	Sep	11/15/2012	US CPI Urban Consumers MoM SA	Oct
			11/15/2012	Empire State Manufacturing Survey General Business Conditions SA	Nov
			11/16/2012	US Industrial Production MoM 2007=100 SA	Oct

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