

Local

November 17, 2014

- The local equities market ended the week above the 7,200-level as the market registered the biggest foreign inflows in two months. The PSEi added 18.71 points, or 0.26% to close at 7,217.34. Sectors ended mixed with financials (+0.96%) led the gainers while industrials (-0.18%) holding firms (-0.18%) were the top decliners. Market breadth was negative with 90 declines outnumbering 86 advances, while 37 names were unchanged. Total value turnover reached Php6.65 billion. Foreign investors were net buyers at Php112.98 million.
- Macau-based casino giant Melco Crown Entertainment Ltd. is looking to make its dreams in Manila come true, as it plans on launching the soft opening of City of Dreams Manila (CODM) next month. Melco Crown chairman Lawrence Ho said CODM, the second of four resort-casinos in Entertainment City, would have a soft opening next month and a grand launch before the Chinese New Year next year. Ho added that he believes the Philippine gaming market continues to grow strongly and the introduction of CODM will significantly strengthen Manila's appeal to both local and international clients seeking an exciting leisure and entertainment experience. CODM would offer both gaming (365 gaming tables, 1,680 slot machines, and 1,680 electronic table games) and non-gaming (981 hotel rooms, retail and dining spaces) amenities.
- The Bureau of the Treasury (BTr) reported that the government issued Php3.76 trillion worth of debt as of October. Outstanding short-term treasury bills amounted to Php271.14 billion, with Php89 billion in 91-day T-bills, Php84 billion in 182-day T-bills, and Php98 billion in 364-day T-bills. The bulk of the government's outstanding debt as of October were long-term treasury bonds amounting to Php3.48 billion.
- On the local fixed income market, prices of government securities declined as market players took profit ahead of the release of retail sales data in the US. Yields across the curve rose by 3.27 basis points led by the short-end of the curve which climbed by 3.27 basis points.
- The local currency traded range bound during Friday's session as investors awaited for the release of the retail sales data in the US. The USD/PHP currency pair weakened 7.5 centavos to end the week at 44.940.

US and Europe

- US stocks ended the week marginally higher, managing to post its fourth-straight weekly gain, though blue-chips slipped on Friday, as investors were largely indifferent to released retail sales and consumer confidence data. The S&P 500 rose 0.02% to close at 2,039.82, whereas the Dow Jones Industrial Average fell 0.10% to close at 17,634.74.
- Some positive economic data was recently released in the US. Retail sales rose 0.3% in October, after a 0.3% decline in September, rebounding as gasoline prices continued to slump. Retail sales account for one-third of consumer spending in the US. A preliminary reading of the consumer confidence index rose to 89.4, its highest level since July 2007, from a final October reading of 86.9.
- Third-quarter GDP growth figures were released in Europe, with regional growth reaching 0.2% on a quarter-on-quarter basis. The figure was reportedly slightly better than expected. Germany's GDP grew 0.1% in 3Q, while France's GDP expanded 0.3%. More notably, Spain's and Greece's GDP growth figures rose 0.5% and 0.7%, respectively.
- US Treasury prices rose after the one-year inflation-expectation reading for early November declined to 2.6% from 2.9%. Meanwhile, inflation expectations covering the next five to 10 years also fell to 2.6% from 2.8%. The two-year note was a little changed at 0.51%, while the 10-year tenor declined 2.0 basis points, to reach 2.32%.
- European stocks fell as investors took sluggish regional economic data into consideration. The FTSEurofirst 300 shed 1.36 points, or 0.1%, to close at 1,345.20.
- The dollar fell against the euro after US data showed inflation expectations fell, which darkened the market's outlook for higher interest rates. The Euro gained 0.0048 against the USD to close at 1.2525.

Asia Pacific

- Asian markets ended the week mixed. Japan's Nikkei rose 0.56%, amid expectations for parliamentary elections and a delay of next year's sale-tax increase. India's Sensex rose 0.38%, as wholesale inflation eased to more than a five-year low last month. Meanwhile, China's Shanghai Composite fell 0.27%, ahead of the stock-trading link with Hong Kong.

Key Indicators

EQUITIES BENCHMARK INDICES	14-Nov-14	DoD change	WoW change	MoM change	Ytd change
Philippine Stock Exchange Index	7,217.34	0.26%	0.16%	3.91%	22.54%
MSCI World USD Index	1,717.20	0.06%	0.60%	6.61%	3.81%
MSCI All Country Asia Pacific ex-Japan Total Returns	398.19	-0.06%	0.89%	3.65%	6.20%
MSCI Europe USD Index	1,627.33	-0.03%	0.59%	2.68%	-7.33%
FTSEurofirst 300 Index	1,345.20	-0.10%	0.03%	4.00%	2.35%
Dow Jones Industrial Average Index	17,634.74	-0.10%	0.35%	8.09%	7.02%
Standard & Poor's 500 Index	2,039.82	0.02%	0.39%	8.63%	10.78%
YIELDS AND PRICES	14-Nov-14	DoD change	WoW change	MoM change	Ytd change
91-Day Philippine Treasury Bill Yield (PDST-F)	1.5396	-0.03%	0.01%	0.12%	1.05%
1-Year Philippine Treasury Bill Yield (PDST-F)	1.9771	0.01%	0.01%	0.07%	1.04%
ROP2021 (Price)	107.240	0.10	0.34	0.74	3.62
3-Month US Treasury Yield	131.935	0.49	0.89	3.28	12.38
2-year US Treasury Yield	0.0051	0.00%	-0.02%	0.00%	-0.06%
10-year US Treasury Yield	0.5119	-0.00%	0.01%	0.14%	0.12%
30-year US Treasury Yield	2.3204	-0.02%	0.02%	0.12%	-0.68%
3-Month German Treasury Bill Yield	3.0487	-0.02%	0.02%	0.10%	-0.89%
Dubai Crude Oil Spot (\$/bbl)	-0.106	0.00%	0.02%	0.02%	-0.17%
1-month Nymex oil futures (\$/bbl)	75.19	-0.74%	-5.54%	-13.86%	-30.82%
Gold Spot (\$/oz)	75.82	2.17%	-3.60%	-7.36%	-24.42%
USD/PHP (PDEX close)	1,188.48	2.12%	1.73%	-3.71%	-2.10%

Source: Bloomberg

Asian Equity Markets

Asia Pacific Markets					
Last Trade as of November 14, 2014					
Country	Index	Value	DoD Change	% Change	
Asia Pacific	MSCI AC Asia Pacific Index	141.73	+	0.03	+ 0.02
Australia	S&P/ASX 200 Index	5,454.34	+	11.64	+ 0.21
China	Shanghai SE Comp Index	2,478.82	-	6.78	- 0.27
Hong Kong	Hang Seng Index	24,087.38	+	67.44	+ 0.28
India	SENSEX	28,046.66	+	106.02	+ 0.38
Indonesia	Jakarta Composite Index	5,049.49	+	0.82	+ 0.02
Japan	Nikkei 225	17,490.83	+	98.04	+ 0.56
Malaysia	KLCI	1,813.79	-	2.02	- 0.11
New Zealand	NZX 50 Index	5,484.00	+	21.25	+ 0.39
Singapore	Straits Times Index	3,315.67	+	10.74	+ 0.32
South Korea	KOSPI	1,945.14	-	15.37	- 0.78
Taiwan	TWSE	8,982.88	+	2.21	+ 0.02
Thailand	SET Index	1,575.88	-	1.33	- 0.08

Local Bond Market

Peso Interest Rates (PDEX PDST-R2)							
	14-Nov-14	13-Nov-14	Difference		13-Nov-14	12-Nov-14	Difference
1 month	1.5000	1.2500	+ 0.250	4 year	2.9000	2.8750	+ 0.025
3 month	1.3750	1.3500	+ 0.025	5 year	3.7500	3.6479	+ 0.102
6 month	1.6750	1.6750	0.000	7 year	3.7750	3.7750	0.000
1 year	1.8000	1.7999	+ 0.000	10 year	3.9182	3.9279	- 0.010
2 year	2.4000	2.4000	0.000	20 year	5.0000	5.0000	0.000
3 year	2.4750	2.4750	0.000	25 year	4.7129	4.7125	+ 0.000

Upcoming Economic Releases

November 17, 2014

Date	Philippines	Period Covered	Date	US	Period Covered
11/19/2014	Philippines BOP	Oct	11/17/2014	US Industrial Production MoM 2007=100 SA	Oct
11/25/2014	Philippines External Balance of Trade	Sep	11/19/2014	Mortgage Bankers Association US Mortgage Market Indx Weekly % Change SA Old Meth	Nov 14
11/25/2014	Philippines External Trade Imports YoY	Sep	11/19/2014	US New Privately Owned Housing Units Started by Structure Total SAAR	Oct
11/25/2014	Philippines External Trade Imports	Sep	11/20/2014	US Initial Jobless Claims SA	Nov 15
11/27/2014	Philippines GDP Constant 2000 Prices YoY	3Q	11/20/2014	US CPI Urban Consumers MoM SA	Oct
11/27/2014	Philippines National Accounts GDP Constant 2000 Prices QoQ SA	3Q	11/20/2014	US Existing Homes Sales SAAR	Oct
11/28/2014	Philippines Commercial Banks Loans Outstanding Total Gross YoY	Oct	11/25/2014	GDP US Chained 2009 Dollars QoQ SAAR	3Q S
11/28/2014	Philippines Commercial Banks Loan Outstanding Total Net YoY	Oct	11/25/2014	Conference Board Consumer Confidence SA 1985=100	Nov
			11/26/2014	US Durable Goods New Orders Industries MoM SA	Oct
			11/26/2014	University of Michigan Consumer Sentiment Index	Nov F

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