

## Local

- The local equities market increased on the back of window-dressing activities. The PSEi went up by 16.47 points or +0.24%, closing at 6,889.78. Except for properties (+2.28%), the rest of the sectors ended in red led by mining & oil (-1.49%) and industrials (-0.42%). Market breadth was mostly mixed with 94 advances and 90 declines, while 47 remained unchanged. Total value turnover was at Php4.84 billion. Foreigners were net sellers at Php217.35 billion.
- According to Budget Secretary Benjamin E. Diokno, the Philippine government is confident that it will meet its fiscal program target for 2016, as spending ramps up. For the year, Diokno projects the budget deficit to reach 2.7%, higher than the 2% ceiling programmed for 2016 by the previous Aquino administration. Diokno believes that the 2.7% figure is healthy, as it is within the current administration's target of 3% deficit-to-GDP ratio set for 2016.
- Vista Land & Lifescapes, Inc. (PSE ticker: VLL) is planning to invest Php18 billion to develop 10 more shopping malls within the next two years, in an effort to increase its recurring income base. VLL's malls fall under two brands: Vista Mall for properties with at least 30,000 square meters (sq.m.) in gross floor area (GFA) and Vista Place for those spanning not more than 15,000 sq.m. In the next two years, Vista Land intends to open a Vista Mall each in Iloilo City, Davao City and Dasmariñas in Cavite; two in Bacoor, Cavite; and two in Las Piñas City, including the expansion of the Evia Lifestyle Center.
- Prices of local fixed income securities improved on bargain hunting. Yields fell by an average of 9.68 bps, led by the belly of the curve (-23.9 bps) followed closely by the short-end (-8.6 bps).
- The Philippine peso strengthened as market players moved ahead of next week's OPEC meeting. The local currency closed at 49.840.

## US and Europe

- US stock markets reached all-time highs despite a relatively quiet trading session as markets remained bullish given the expected reflation from Trump's policies. The amount of money deposited to exchange traded funds since the Nov. 8 elections accounted for ~40 percent of this year's total. The Dow Jones Industrial Average leapt 68.96 points or +0.36% to 19,152.14 while the S&P 500 added 8.63 points, or +0.39% to 2,213.35.
- Markit's flash US services purchasing managers' index (PMI) reached 54.7 in November, lower than October's 54.8. Despite the drop, the November PMI print is still the second-strongest reading in the past 12 months. Adjusted for seasonal influences, the flash US composite PMI output index was unchanged from October at 54.9, which was an 11-month high.
- U.S. October wholesale inventories were estimated at an end-of-month level of \$586.9 billion seasonally adjusted, lower by 0.4% from September 2016, and lower by 0.5% from October 2015.
- European stocks edged up higher despite low liquidity given the shortened session in the US after the Thanksgiving holiday. The FTSEurofirst 300 Index ended at 1,351.66, up 0.29%.
- Treasuries ended the week mixed, as market players positioned ahead of the OPEC meeting and the December FOMC meeting. The 2-year note yield lost 0.6 basis points to 1.117%, while the 10-year yield gained 0.74 basis points to 2.357%.
- The USD pared gains vis-a-vis the EUR despite reaching multi-year lows, as market players digested the FOMC minutes, which indicate that most Fed officials said that it would be appropriate to raise the target range for the fed funds rate relatively soon. The EUR/USD closed the week at 1.0589.

## Asia Pacific

- Asian equity indices continued to rally, driven by expectations of higher oil prices from a potential cut in oil production during the OPEC meeting this week. The gainers were led by India's SENSEX, which rose 1.76% day-on-day. As such, MSCI AC Asia Pacific Index advanced 0.59% to reach 135.73.

## Key Indicators

EQUITIES BENCHMARK INDICES	25-Nov-16	DoD change	WoW change	MoM change	Ytd change
Philippine Stock Exchange Index	6,889.78	0.24%	-2.52%	-9.11%	-0.90%
MSCI World USD Index	1,720.84	0.44%	1.38%	1.15%	3.49%
MSCI All Country Asia Pacific ex-Japan Total Returns	376.35	-0.35%	1.21%	-5.10%	6.99%
MSCI Europe USD Index	1,400.05	0.58%	1.28%	-2.50%	-8.05%
FTSEurofirst 300 Index	1,351.66	0.29%	1.01%	-0.21%	-5.97%
Dow Jones Industrial Average Index	19,152.14	0.36%	1.51%	5.41%	9.91%
Standard & Poor's 500 Index	2,213.35	0.39%	1.44%	3.28%	8.29%
YIELDS AND PRICES	25-Nov-16	DoD change	WoW change	MoM change	Ytd change
91-Day Philippine Treasury Bill Yield (PDST-R2)	1.6875	-0.10%	-0.13%	0.21%	-0.98%
1-Year Philippine Treasury Bill Yield (PDST-R2)	3.7179	0.02%	0.08%	2.12%	1.35%
ROP2021 (Price)	106.727	(0.16)	0.01	(1.68)	(1.63)
ROP2034 (Price)	130.768	(0.68)	(0.12)	(9.91)	0.30
3-Month US Treasury Yield	0.4923	0.00%	0.06%	0.16%	0.33%
2-year US Treasury Yield	1.1168	-0.01%	0.05%	0.26%	0.07%
10-year US Treasury Yield	2.3572	0.01%	0.00%	0.60%	0.09%
30-year US Treasury Yield	3.0045	-0.02%	-0.03%	0.51%	-0.01%
3-Month German Treasury Bill Yield	-0.798	0.00%	-0.01%	0.06%	-0.26%
Dubai Crude Oil Spot (\$/bbl)	45.16	-0.86%	6.33%	-5.54%	40.55%
1-month Nymex oil futures (\$/bbl)	46.06	-3.96%	0.81%	-7.81%	24.35%
Gold Spot (\$/oz)	1,183.90	-0.05%	-1.99%	-7.05%	11.54%
USD/PHP (PDEX close)	49.840	(0.14)	0.06	1.50	2.78

Source: Bloomberg

## Asian Equity Markets

Asia Pacific Markets						
Last Trade as of		November 25, 2016				
Country	Index	Value	DoD Change	% Change		
Asia Pacific	MSCI AC Asia Pacific Index	135.73	+	0.80	+	0.59
Australia	S&P/ASX 200 Index	5,507.79	+	22.71	+	0.41
China	Shanghai SE Comp Index	3,261.94	+	20.20	+	0.62
Hong Kong	Hang Seng Index	22,723.45	+	114.96	+	0.51
India	SENSEX	26,316.34	+	456.17	+	1.76
Indonesia	Jakarta Composite Index	5,122.10	+	14.48	+	0.28
Japan	Nikkei 225	18,381.22	+	47.81	+	0.26
Malaysia	KLCI	1,627.26	+	3.05	+	0.19
New Zealand	NZX 50 Index	6,899.62	+	16.36	+	0.24
Singapore	Straits Times Index	2,859.33	+	15.61	+	0.55
South Korea	KOSPI	1,974.46	+	3.20	+	0.16
Taiwan	TWSE	9,159.07	+	6.96	+	0.08
Thailand	SET Index	1,500.40	+	10.29	+	0.69

## Local Bond Market

Peso Interest Rates (PDEX PDST-R2)							
	25-Nov-16	24-Nov-16	Difference		25-Nov-16	24-Nov-16	Difference
1 month	1.6579	1.6839	- 0.026	4 year	4.2016	4.2207	- 0.019
3 month	1.6875	1.7839	- 0.096	5 year	4.9946	4.9911	+ 0.003
6 month	1.8196	2.0661	- 0.247	7 year	4.3666	5.1411	- 0.775
1 year	3.7179	3.6946	+ 0.023	10 year	4.8554	4.4645	+ 0.391
2 year	3.6698	3.6019	+ 0.068	20 year	5.6018	5.6125	- 0.011
3 year	3.9190	4.3929	- 0.474				

## Upcoming Economic Releases

Date	Philippines	Period Covered	Date	US	Period Covered
11/29/2016	Philippines Budget Balance Monthly	Oct	11/29/2016	GDP US Chained 2009 Dollars QoQ SAAR	3Q S
11/29/2016	Philippines Commercial Banks Loans Outstanding Total Gross YoY	Oct	11/29/2016	Conference Board Consumer Confidence SA 1985=100	Nov
11/29/2016	Philippines Commercial Banks Loan Outstanding Total Net YoY	Oct	11/30/2016	MBA US US Mortgage Market Index Weekly % Change SA Old Meth	Nov 25
12/6/2016	Philippines CPI All items YoY% 2006=100	Nov	12/1/2016	US Initial Jobless Claims SA	Nov 26
12/6/2016	Philippines CPI All items MoM% 2006=100	Nov	12/1/2016	ISM Manufacturing PMI SA	Nov
12/7/2016	Philippines Gross Intl Reserves	Nov	12/2/2016	US Employees on Nonfarm Payrolls Total MoM Net Change SA	Nov
12/9/2016	Philippines External Balance of Trade	Oct	12/2/2016	U-3 US Unemployment Rate Total in Labor Force Seasonally Adjusted	Nov
12/9/2016	Philippines External Trade Imports YoY	Oct	12/6/2016	US Durable Goods New Orders Industries MoM SA	Oct F
			12/6/2016	US Manufacturers New Orders Total MoM SA	Oct

Sources: BPI, Business World, PDI, Phil Star, Manila Bulletin, Reuters, Briefing, Bloomberg, CNN, Dow Jones, The Wall Street Journal, CNBC