

Local

- The local equities market reversed early-day losses as bargain-hunters loaded up on the dip. All sectoral indices except services (-1.07%) were up day-on-day led by holding firms (+2.63%) and financials (+2.40%). Market breadth was positive with 110 advances outnumbering 75 declines while 54 names were unchanged. Total value turnover was around Php8.04 billion. Foreigners were net sellers at Php417.02 million.
- The National Economic and Development Authority has approved nine projects with a collective value of Php171.14 billion. The approved projects focus on agriculture, development and infrastructure; all of which have passed the evaluation of the Investment Coordination. Increased foreign interest in manufacturing, construction, and business process outsourcing caused a significant upsurge in investment pledges for the second quarter of the year. The Philippine Statistics Authority showed that foreign direct investments registered with the country's investment promotion agencies rose by 11.5% to Php40.4 billion.
- Ayala Corp. (PSE ticker: AC) is seeking for new investments in and outside the country to beef up its power portfolio. Mr. Borromeo disclosed that they are always looking for new acquisitions as they want to grow their portfolio and diversify it in terms of thermal versus renewable capacity. He also said that they are also looking into opportunities in Indonesia given its growing population. Apart from power, AC is also interested in expanding its water and real estate portfolio.
- In the local fixed income space, yields marginally fell as investors stayed on the sidelines ahead of the Federal Reserve and Bank of Japan meetings. Yields declined by an average of 1.48 bps led by the short-end of the curve which lost 4.0 bps and the belly which gave up 3.7 bps. In contrast, the long-end of the curve rose 5.7 bps.
- The peso continued to weaken as the local equities market continued to bleed dollars and following the weak OFW remittances report. The Peso lost 22 centavos, or -0.46%, closing at Php47.695 to a dollar.

US and Europe

- U.S. equities rose on the back of strong tech firm gains and expectations that the Fed will remain at the sideline this September meeting. Dow Jones Industrial Average Index rose 0.99% to 18,212.48 while the S&P 500 rose 1.01% to 2,147.26.
- US retail sales dipped 0.3% to US\$456.32 billion in August compared to the previous month. This was worse than market expectations of -0.1%. Core retail sales, or those excluding automobiles, gasoline, building materials and food services, fell 0.1%, again lower than economists' estimates of 0.4%.
- The Bank of England (BoE) kept interest rates unchanged but ungraded its 3Q forecast from 0.1% to 0.3% Q-o-Q growth and estimated that inflation target of 2% will be reached in the first half of 2017. The BoE, however, that long term challenges remain and hinted potential rate cuts in the future.
- US Treasuries rallied on the back of a mixed but mostly soft economic data releases. The 2-year yield was down 3.22 bps to 0.726%. The 10-year lost 0.69 bps and closed at 1.691%.
- European stocks rose after the Bank of England (BoE) hinted that monetary easing is still needed despite short term strength in economic data. FTSEurofirst 300 Index rose 0.55% to 1,339.13.
- The euro rebounded against the dollar following the negative retail data in the States. The EUR/USD pair was up 0.12% to 1.1239.

Asia Pacific

- Asian shares were mixed following central bank risks. Global investors started taking profit on the back of Fed rate hike fears and expectations that other central banks of developed markets will adopt a wait-and-see behavior. Philippines and Indonesian markets posted strong gains due to bargain hunting after a few days of being sold down. The MSCI AC Asia Pacific Index was marginally unchanged at 136.49 (- 0.07%).

Key Indicators

EQUITIES BENCHMARK INDICES					
	15-Sep-16	DoD change	WoW change	MoM change	Ytd change
Philippine Stock Exchange Index	7,708.42	2.15%	0.54%	-3.16%	10.88%
MSCI World USD Index	1,704.84	0.73%	-2.27%	-1.99%	2.53%
MSCI All Country Asia Pacific ex-Japan Total Returns	383.68	-0.04%	-4.22%	-2.49%	9.07%
MSCI Europe USD Index	1,469.14	0.52%	-2.86%	-1.36%	-3.51%
FTSEurofirst 300 Index	1,339.13	0.55%	-2.56%	-1.76%	-6.85%
Dow Jones Industrial Average Index	18,212.48	0.99%	-1.45%	-2.27%	4.52%
Standard & Poor's 500 Index	2,147.26	1.01%	-1.56%	-1.96%	5.05%
YIELDS AND PRICES					
	15-Sep-16	DoD change	WoW change	MoM change	Ytd change
91-Day Philippine Treasury Bill Yield (PDST-R2)	1.5232	0.27%	0.31%	0.12%	-1.14%
1-Year Philippine Treasury Bill Yield (PDST-R2)	1.7350	-0.43%	-0.88%	0.07%	-0.64%
ROP2021 (Price)	108.331	(0.08)	(1.08)	(1.95)	(0.08)
ROP2034 (Price)	142.360	(0.43)	(4.07)	(6.55)	11.65
3-Month US Treasury Yield	0.2841	-0.04%	-0.06%	-0.00%	0.12%
2-year US Treasury Yield	0.7258	-0.03%	-0.04%	0.00%	-0.32%
10-year US Treasury Yield	1.6907	-0.01%	0.09%	0.13%	-0.58%
30-year US Treasury Yield	2.4627	0.01%	0.16%	0.18%	-0.55%
3-Month German Treasury Bill Yield	-0.742	-0.00%	0.07%	0.06%	-0.20%
Dubai Crude Oil Spot (\$/bbl)	42.73	-1.68%	-4.92%	-2.55%	32.99%
1-month Nymex oil futures (\$/bbl)	43.91	0.76%	-7.79%	-4.00%	18.55%
Gold Spot (\$/oz)	1,314.74	-0.62%	-1.75%	-1.84%	23.87%
USD/PHP (PDEX close)	47.695	0.22	0.81	1.26	0.63

Source: Bloomberg

Asian Equity Markets

Asia Pacific Markets				
		Last Trade as of	September 15, 2016	
Country	Index	Value	DoD Change	% Change
Asia Pacific	MSCI AC Asia Pacific Index	136.49	-	0.09
Australia	S&P/ASX 200 Index	5,239.86	+	0.23
China	Shanghai SE Comp Index	3,002.85		0.00
Hong Kong	Hang Seng Index	23,335.59	+	0.63
India	SENSEX	28,412.89	+	0.14
Indonesia	Jakarta Composite Index	5,265.82	+	2.33
Japan	Nikkei 225	16,405.01	-	1.26
Malaysia	KLCI	1,652.99	-	0.51
New Zealand	NZX 50 Index	7,196.24	-	0.20
Singapore	Straits Times Index	2,805.52	-	0.14
South Korea	KOSPI	1,999.36		0.00
Taiwan	TWSE	8,902.30		0.00
Thailand	SET Index	1,463.39	+	0.36

Local Bond Market

Peso Interest Rates (PDEX PDST-R2)							
	15-Sep-16	14-Sep-16	Difference		15-Sep-16	14-Sep-16	Difference
1 month	1.2003	1.2000	+ 0.000	4 year	2.8000	2.7620	+ 0.038
3 month	1.5232	1.2543	+ 0.269	5 year	2.9340	2.8523	+ 0.082
6 month	1.8839	1.8857	- 0.002	7 year	3.3643	3.3806	- 0.016
1 year	1.7350	2.1629	- 0.428	10 year	3.5585	3.6032	- 0.045
2 year	2.3360	2.2881	+ 0.048	20 year	4.1173	3.9030	+ 0.214
3 year	2.7979	3.1357	- 0.338				

Upcoming Economic Releases

Date	Philippines	Period Covered	Date	US	Period Covered
9/19/2016	Philippines BOP	Aug	9/16/2016	US CPI Urban Consumers MoM SA	Aug
9/22/2016	Philippines Overnight Reverse Repurchase Agreement RRP Rate	Sep 22	9/16/2016	University of Michigan Consumer Sentiment Index	Sep P
			9/16/2016	US CPI Urban Consumers Less Food & Energy MoM SA	Aug
			9/17/2016	US Foreign Net Transactions	Jul
			9/20/2016	US New Privately Owned Housing Units Started by Structure Total SAAR	Aug
			9/21/2016	MBA US US Mortgage Market Index Weekly % Change SA Old Meth	Sep 16
			9/22/2016	US Initial Jobless Claims SA	Sep 10
			9/22/2016	Federal Funds Target Rate - Upper Bound	Sep 21
			9/22/2016	US Existing Homes Sales SAAR	Aug
			9/22/2016	Conference Board US Leading Index MoM	Aug

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