

Local

- The local equities continued its winning streak after oil prices went up by more than 4%. The PSEi gained 53.31 points, or +0.76%, to close at 7,108.8. All sectors ended in green led by the property (+2.01%) and services (1.74%). Market breadth was positive with 102 advances outnumbering 80 declines, while 38 issues remained unchanged. Value turnover reached Php8.32 billion. Foreign investors were buyers at Php649.7 million.
- In a report from the BSP, it showed that the country's gold and currency reserves, measured by the gross international reserves (GIR), inched higher at end-September to stand at US\$80.31 billion, from the US\$80.26 billion recorded the prior month. In the same month last year, GIR was reported to be at US\$79.56 billion only. The increase was attributed to the BSP's foreign exchange operations and its income from investments abroad. Foreign investments comprised bulk of the total reserves at US\$70.59 billion while foreign exchange holdings and gold accounted to the remaining US\$1.08 billion and US\$7.01 billion, respectively.
- Ayala Land Inc. (PSE ticker: ALI) is considering of getting a loan in ringgit to fund its investment in a Malaysian property developer, MCT Bhd. ALI has been in talks with various banks to see if it can match its up to 32.95% stake investment in the said company. It disclosed earlier this year that it will invest to have 9.16% stake in the company which was worth Php1.9 billion or US\$43 million. A month later, it signed a call option agreement allowing it to increase its stake to 32.95%.
- Trading on the fixed income space continued to be cautious amid the lack of market-moving developments. Yields rose by an average of 8.63 basis points led by the short- and long-ends of the curve, which increase by 13.9 and 10 basis points, respectively. Meanwhile, the long-end of the curve dropped by 0.7 basis points.
- The Peso traded flat with an upward bias relative to the US Dollar yesterday on yet another disappointing US economic result. The US trade deficit widened USD 930 Mn. above the consensus figure of USD 47.4 Bn, it was announced yesterday. Foreign selling on the part of local exports before the greenback weakened any further set the bearish tone. The USD/PHP pair fell 33 centavos, or -0.72%, to close yesterday's trading at the 46.14 level.

US and Europe

- US equities ended with solid gains amid a strong performance from the healthcare sector. This was despite the volatile session earlier during the day, as stocks tracked movements of crude oil prices. The Dow Jones Industrial Average index rose 122.10 points, or 0.7%, to 16,912.29 and the S&P500 index rallied 15.90 points, or 0.8%, to 1,995.82.
- US consumer debt went up at a slower pace last August as outstanding consumer credit went up by just 5.6% YoY to US\$16 billion. This was lower than the market estimate of US\$19.5 billion. Revolving credit (which consist mostly of credit cards) went up by 5.3% YoY while non-revolving credit (mostly auto or student loans) rose by 5.7% YoY, the lowest growth since July 2012.
- For the month of August, industrial production in Germany declined by 1.2% MoM compared to market expectation of a 0.2% gain. The completely erased the upwardly revised 1.2% increase in July. On a per industry basis, production of capital goods fell by 2.1% and consumer goods slipped 0.4%.
- US Treasury yields fell as the demand for government securities was stifled by the current global equities rally and anticipation of the USD31 Bn sale of 30-year Treasury bonds. Nonetheless, the US government managed to attract the second-highest overseas demand on the sale of USD21 Bn 10-year notes, auctioned at a yield of 2.066%. The 2-year and 10-year yields increased by 2 and 4 basis points to close at 0.6250% and 2.0668%, respectively.
- European equities inched higher after gains among miners and autos offset a decline in airline stocks. The FTSEurofirst 300 index crept up 0.12% to end the day at 1,423.78.
- The US Dollar traded sideways with a slight upward bias relative to the Euro yesterday amid a market devoid of fundamental global developments. Besides the weak German industrial production print reported yesterday, the September FOMC meeting minutes are due out but have been largely overtaken by the recent slew of disappointing US data. The EUR/USD pair fell 0.35 US cents, or -0.32%, to close yesterday's trading at the 1.1237 level.

Asia Pacific

- The Japanese Nikkei rallied for a sixth straight day on a promising start to the 3rd quarter corporate earnings season led by Samsung's Q3 outperformance. Due to this, BOJ inaction over the economy was ignored. The Nikkei gained 136.88 points, or +0.75% (day-on-day), to close yesterday's trading at the 18,322.98 level. Chinese markets remained closed for the Golden Week holiday.

Key Indicators

October 8, 2015

EQUITIES BENCHMARK INDICES	7-Oct-15	DoD change	WoW change	MoM change	Ytd change
Philippine Stock Exchange Index	7,108.80	0.76%	3.12%	2.63%	-1.68%
MSCI World USD Index	1,653.47	0.76%	4.52%	3.43%	-4.52%
MSCI All Country Asia Pacific ex-Japan Total Returns	356.93	2.52%	6.70%	9.26%	-8.21%
MSCI Europe USD Index	1,561.05	0.03%	4.75%	2.59%	-4.11%
FTSEurofirst 300 Index	1,423.78	0.12%	3.88%	1.75%	3.40%
Dow Jones Industrial Average Index	16,912.29	0.73%	3.85%	5.03%	-6.24%
Standard & Poor's 500 Index	1,995.83	0.80%	3.95%	3.88%	-4.53%
YIELDS AND PRICES	7-Oct-15	DoD change	WoW change	MoM change	Ytd change
91-Day Philippine Treasury Bill Yield (PDST-F)	2.2714	0.00%	0.00%	0.00%	-0.27%
1-Year Philippine Treasury Bill Yield (PDST-F)	2.6886	0.00%	0.00%	0.00%	-0.01%
ROP2021 (Price)	108.991	0.05	1.38	1.03	0.74
ROP2034 (Price)	133.050	0.26	2.24	0.25	(0.82)
3-Month US Treasury Yield	-0.0051	0.00%	0.02%	-0.03%	-0.01%
2-year US Treasury Yield	0.6250	0.02%	-0.00%	-0.08%	-0.08%
10-year US Treasury Yield	2.0668	0.04%	0.03%	-0.06%	-0.14%
30-year US Treasury Yield	2.8945	0.03%	0.04%	0.01%	0.12%
3-Month German Treasury Bill Yield	-0.357	-0.00%	0.02%	-0.04%	-0.17%
Dubai Crude Oil Spot (\$/bbl)	50.72	7.23%	15.17%	7.05%	-9.93%
1-month Nymex oil futures (\$/bbl)	47.81	-1.48%	6.03%	3.82%	-10.82%
Gold Spot (\$/oz)	1,145.53	-0.15%	2.73%	2.33%	-3.19%
USD/PHP (PDEX close)	46.140	(0.33)	(0.60)	(0.78)	1.42

Source: Bloomberg

Asian Equity Markets

Asia Pacific Markets					
		Last Trade as of		October 7, 2015	
Country	Index	Value	DoD Change	% Change	
Asia Pacific	MSCI AC Asia Pacific Index	131.69	+	2.67	+ 2.07
Australia	S&P/ASX 200 Index	5,197.87	+	30.47	+ 0.59
China	Shanghai SE Comp Index	3,052.78		0.00	0.00
Hong Kong	Hang Seng Index	22,515.76	+	684.14	+ 3.13
India	SENSEX	27,035.85	+	102.97	+ 0.38
Indonesia	Jakarta Composite Index	4,487.13	+	41.35	+ 0.93
Japan	Nikkei 225	18,322.98	+	136.88	+ 0.75
Malaysia	KLCI	1,689.25	+	26.74	+ 1.61
New Zealand	NZX 50 Index	5,650.03	-	18.08	- 0.32
Singapore	Straits Times Index	2,961.81	+	64.40	+ 2.22
South Korea	KOSPI	2,005.84	+	15.19	+ 0.76
Taiwan	TWSE	8,495.23	+	101.13	+ 1.20
Thailand	SET Index	1,393.66	+	22.97	+ 1.68

Local Bond Market

Peso Interest Rates (PDEX PDST-R2)							
	7-Oct-15	6-Oct-15	Difference		7-Oct-15	6-Oct-15	Difference
1 month	1.7050	1.2975	+ 0.408	4 year	3.7533	3.7517	+ 0.002
3 month	1.4070	1.4570	- 0.050	5 year	3.4850	3.4850	0.000
6 month	1.5119	1.4229	+ 0.089	7 year	4.2217	4.2363	- 0.015
1 year	1.9428	1.8327	+ 0.110	10 year	3.7316	3.7218	+ 0.010
2 year	3.3683	2.8500	+ 0.518	20 year	5.1450	5.1747	- 0.030
3 year	3.1079	3.1139	- 0.006				

Upcoming Economic Releases

Date	Philippines	Period Covered	Date	US	Period Covered
10/9/2015	Philippines External Trade Exports YoY	Aug	10/8/2015	US Initial Jobless Claims SA	Oct 3
10/9/2015	Philippines External Trade Exports	Aug	10/9/2015	US Import Price Index by End Use All MoM NSA	Sep
10/15/2015	Philippines Overseas Filipino Workers Remittances YoY	Aug	10/9/2015	Merchant Wholesalers Inventories Total Monthly % Change	Aug
10/15/2015	Philippines Overseas Filipino Workers Remittances	Aug	10/14/2015	MBA US US Mortgage Market Index Weekly % Change SA Old Meth	Oct 2
			10/14/2015	Adjusted Retail & Food Services Sales SA Total Monthly % Change	Sep
			10/15/2015	US CPI Urban Consumers MoM SA	Sep
			10/15/2015	US Empire State Manufacturing Survey General Business Conditions SA	Oct
			10/15/2015	Philadelphia Fed Business Outlook Survey Diffusion Index General Conditions	Oct
			10/16/2015	US Industrial Production MOM SA	Sep
			10/16/2015	University of Michigan Consumer Sentiment Index	Oct P

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