

Local

- The local equities ended marginally higher amid investors staying on the sidelines ahead of the earnings season. The PSEI gained 24.88 points, or +0.35%, to 7,117.78. All the indices ended in green, led by the mining and oil (+1.34%) and services (+0.84%). Market breadth was positive with 93 advances outnumbering 82 declines, while 42 issues were unchanged. Total value turnover reached Php5.69 billion only. Foreign investors were net buyers at Php68.23 million.
- International Container Terminal Services, Inc. (PSE ticker: ICT) raised US\$260 million through loans to finance its project in Mexico. The financial package has a tenor of 12 years and a four-year availability. It will be utilized for the new terminal that will be built at the Port of Manzanillo in Mexico. Total capacity would be 2.2 million twenty-foot equivalent units (TEUs) with the first phase being 750,000 TEUs. ICT has estimated that it can grab 18% of the market share in the area.
- In a disclosure, Aboitiz Power Corp. (PSE ticker: AP) said that it will build an 8.5-megawatt (MW) hydroelectric power plan in Isabela through its unit SN Aboitiz Power-Magat Inc. (SNAP-Magat), in partnership with the National Irrigation Administration (NIA). AP will use the irrigation water released from the Maris Reservoir for the Maris Main (South) Canal. The project is targeted to start in the last quarter of 2015 and should be completed by November 2017.
- On the local fixed income space, yields moved sideways yesterday on lackluster trading as investors awaited further direction from the FOMC meeting to be held next week. Yields climbed by an average of 10.46 basis points led by the belly and short-end of the curve, which rose 13.9 and 14.4 basis points, respectively.
- The Peso traded sideways with a downward bias relative to the US Dollar for a fifth consecutive day yesterday, driven by corporate demand given the Peso's losing streak and some positioning on safe-haven assets ahead of the ECB meeting in Malta. Also, the BSP stated there's room for a possible USD bond auction within the 4th quarter, which may have led to local buying interest on the greenback. The USD/PHP pair rose 17 centavos, or 0.37%, to close yesterday's trading at the 46.64 level.

US and Europe

- US equities rallied after following a European Central Bank meeting which hinted at further stimulus measures for the Eurozone. The Dow Jones Industrial Average index jumped 320.55 points, or 1.9%, to 17,489.16 and the S&P500 index rallied 33.57 points, or 1.7%, to 2,052.51.
- The number of Americans filing unemployment claims for the first time rose by 3,000 last week to a seasonally adjusted 259,000, slightly lower than the market estimate of 265,000. The less-volatile four-week moving average of claims fell by 2,000 to 263,250, the lowest average level since December 1973. Meanwhile, continuing claims added 6,000 to 2,170,000.
- US house prices were up by a seasonally adjusted 0.3% MoM last August, according to the Federal Housing Finance Agency House Price Index. On an annual basis, housing prices were up 5.5%.
- According to the National Association of Realtors, sales of existing homes spiked 4.7% MoM, beating the market estimate of +1.5%, to a seasonally adjusted annual rate of 5.55 million, the second fastest pace in eight years. On a national level, the median price of homes was up 6.1% YoY to YS\$221,900.
- The Conference Board's leading economic index unexpectedly fell for the first time in seven months in September. The leading index declined 0.2%, compared to the estimate of -0.1% from a downwardly revised flat reading last August, compared to the +0.1% last August. Gains in financial indicators partially offset the recent weakness in stock markets, manufacturing and housing permits, according to the report.
- US Treasuries rallied after shorter maturities got a lift due to federal officials pushing back an auction of two-year Treasury notes because of the debt-ceiling limit. The two-year yield declined 2 basis points to 0.6006%, while the ten-year yield was unchanged at 2.0263%.
- European stocks rallied overnight following ECB President Mario Draghi's statements that hinted at more monetary stimulus. The FTSEurofirst 300 index climbed 2.13% to close at 1,462.11.
- The US Dollar rebounded markedly relative to the Euro yesterday on better labor data and comments from the ECB's chief, Mario Draghi. Though ECB leadership strongly implied more robust quantitative easing before 2015 is out, they stopped short of any immediate stimulus action. Also, US initial jobless claims rose less than expected adding 3,000 claims instead of the expected 9,000. The EUR/USD pair fell 2.30 US cents, or -2.03%, to close yesterday's trading at the 1.1109 level.

Asia Pacific

- The Nikkei traded flat with a slight downward bias on profit-taking yesterday while the CSI 300 rebounded ahead of the Communist Party plenum. Tracking Wall Street's decline, the Nikkei fell 0.60% on sector-led profit-taking, particularly in Pharmaceuticals. In China, buying interest prevailed ahead of a major party meeting that may produce new plans to rejuvenate China's stalling economy. The Nikkei and CSI 300 fell and rose by 118.41 points (-0.64%, day-on-day) and 51.28 points (+1.48%, day-on-day), respectively, to close the day at 18,435.87 and 3,524.53.

Key Indicators

EQUITIES BENCHMARK INDICES	22-Oct-15	DoD change	WoW change	MoM change	Ytd change
Philippine Stock Exchange Index	7,117.78	0.35%	1.03%	0.94%	-1.56%
MSCI World USD Index	1,689.33	0.98%	0.81%	5.53%	-2.45%
MSCI All Country Asia Pacific ex-Japan Total Returns	363.75	-0.21%	-0.46%	5.92%	-6.46%
MSCI Europe USD Index	1,589.48	0.33%	0.43%	7.30%	-2.37%
FTSEurofirst 300 Index	1,462.11	2.13%	2.57%	7.10%	6.19%
Dow Jones Industrial Average Index	17,489.16	1.87%	2.03%	7.10%	-3.04%
Standard & Poor's 500 Index	2,052.51	1.66%	1.42%	5.65%	-1.82%
YIELDS AND PRICES	22-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)	109.319	0.00	0.07	0.80	1.07
ROP2034 (Price)	134.961	0.34	0.74	0.53	1.09
3-Month US Treasury Yield	0.0000	0.00%	0.01%	0.01%	0.00%
2-year US Treasury Yield	0.6006	-0.02%	0.00%	-0.07%	-0.11%
10-year US Treasury Yield	2.0263	0.00%	0.01%	-0.11%	-0.18%
30-year US Treasury Yield	2.8608	-0.00%	-0.00%	-0.08%	0.09%
3-Month German Treasury Bill Yield	-0.348	0.01%	-0.00%	0.04%	-0.16%
Dubai Crude Oil Spot (\$/bbl)	44.85	-0.36%	-3.09%	0.29%	-20.35%
1-month Nymex oil futures (\$/bbl)	45.38	0.40%	-2.16%	-0.98%	-15.35%
Gold Spot (\$/oz)	1,166.07	-0.10%	-1.44%	3.68%	-1.46%
USD/PHP (PDEX close)	46.640	0.17	0.79	0.05	1.92

Source: Bloomberg

Asian Equity Markets

Asia Pacific Markets					
		Last Trade as of		October 22, 2015	
Country	Index	Value	DoD Change	% Change	
Asia Pacific	MSCI AC Asia Pacific Index	133.87	- 0.71	-	0.53
Australia	S&P/ASX 200 Index	5,263.84	+ 15.54	+	0.30
China	Shanghai SE Comp Index	3,368.74	+ 48.06	+	1.45
Hong Kong	Hang Seng Index	22,845.37	- 143.85	-	0.63
India	SENSEX	27,287.66	0.00		0.00
Indonesia	Jakarta Composite Index	4,584.56	- 20.66	-	0.45
Japan	Nikkei 225	18,435.87	- 118.41	-	0.64
Malaysia	KLCI	1,705.09	- 2.02	-	0.12
New Zealand	NZX 50 Index	5,923.60	+ 5.34	+	0.09
Singapore	Straits Times Index	3,038.11	+ 12.41	+	0.41
South Korea	KOSPI	2,023.00	- 19.98	-	0.98
Taiwan	TWSE	8,608.46	- 0.77	-	0.01
Thailand	SET Index	1,416.14	+ 0.34	+	0.02

Local Bond Market

Peso Interest Rates (PDEX PDST-R2)							
	22-Oct-15	21-Oct-15	Difference		22-Oct-15	21-Oct-15	Difference
1 month	2.2933	2.2433	+ 0.050	4 year	3.7217	3.7133	+ 0.008
3 month	2.2983	2.2867	+ 0.012	5 year	3.4928	3.4906	+ 0.002
6 month	2.4183	1.9080	+ 0.510	7 year	4.1967	4.1883	+ 0.008
1 year	2.5333	2.5300	+ 0.003	10 year	3.6740	3.6756	- 0.002
2 year	3.3567	2.6750	+ 0.682	20 year	5.1500	5.1633	- 0.013
3 year	3.1713	3.1775	- 0.006				

Upcoming Economic Releases

Date	Philippines	Period Covered	Date	US	Period Covered
10/27/2015	Philippines External Balance of Trade	Aug	10/27/2015	US Durable Goods New Orders Industries MoM SA	Sep
10/27/2015	Philippines External Trade Imports YoY	Aug	10/27/2015	Conference Board Consumer Confidence SA 1985=100	Oct
10/27/2015	Philippines External Trade Imports	Aug	10/28/2015	MBA US US Mortgage Market Index Weekly % Change SA Old Meth	Oct 23
10/30/2015	Philippines Commercial Banks Loans Outstanding Total Gross YoY	Sep	10/29/2015	Federal Funds Target Rate - Upper Bound	Oct 28
10/30/2015	Philippines Commercial Banks Loan Outstanding Total Net YoY	Sep	10/29/2015	US Initial Jobless Claims SA	Oct 17
			10/29/2015	GDP US Chained 2009 Dollars QoQ SAAR	3Q A
			10/30/2015	US Personal Income MoM SA	Sep
			10/30/2015	US Personal Consumption Expenditures Nominal Dollars MoM SA	Sep
			10/30/2015	MNI Chicago Business Barometer (sa)	Oct
			10/30/2015	University of Michigan Consumer Sentiment Index	Oct F

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