

Local

November 12, 2014

- The local equities market traded sideways today dragged by a decline in Bloomberry shares. Bloomberry (BLOOM) declined by 7.38% day-on-day after the company raised US\$126 million from an accelerated top-up placement. The PSEi climbed 12.43 points, or 0.17%, to close at 7,204.55. Almost all sector indices ended positive, led by property (+0.57%), industrial (+0.10%) and services (+0.09%). Total value turnover reached Php12.39 billion. Market breadth was negative, with 96 declines versus 89 advances, while 40 issues remained unchanged. Foreign investors were net buyers at Php1.01 billion.
- SM Prime Holdings Inc. (SMPH) is set to unveil early next year the masterplan for a Php100-billion “future city” in the company’s Pasay and Parañaque reclamation projects. SM Prime president Hans Sy said the masterplan is being prepared by a foreign group, Aecom Technology Corp., and will be completed by the first quarter of 2015. Last September, SM Prime announced it plans to integrate the development of two reclamation projects in Pasay and Parañaque with a combined area of 600 hectares.
- The Land Transportation Franchising and Regulatory Board (LTFRB) moved to craft an updated set of rules applicable to vehicle-for-hire in an effort to modernize the Philippines’ land transportation regulations in order to accommodate modern solutions such as Uber. Transportation Secretary Joseph Emilio Abaya brought to the table officials of the LTFRB headed by chairman Winston Ginez as well as officials of Uber Philippines and Singapore to resolve issues on modern technology solutions for land transportation. Moreover, Abaya said that the LTFRB’s plan to change current rules is meant to find ways for rules and regulations to support rather than stifle innovations and improve services to the public.
- On the local fixed income space, prices of government securities marginally rose after the National Economic and Development Authority released strong exports data. Yields declined -0.27 basis points on average, led by the belly, which declined -1.9 basis points, while the long-end of the curve slumped -0.6 basis points. Meanwhile, the short-end of the curve increased 2.1 basis points.
- The Philippine peso closed weaker than the dollar on strong US labor market data. The USD/PHP currency pair depreciated by 9 centavos after breaching the 45.00-level last week, to close at 44.95.

US and Europe

- US stocks edged higher for the fifth straight session, as the market lacked any major economic data to draw catalysts from in light of the Veteran’s Day Holiday. The S&P 500 added 1.42 points, or 0.07%, to close at 2,039.68. The Dow Jones Industrial Average added a meager 1.16 points, or 0.01%, to reach 17,614.90.
- Data from the National Federation of Independent Businesses show that optimism in US small businesses for the month of October increased month-on-month. The Small Business Optimism Index went up to 96.1, exceeding market estimates of 96.0 and greater than the 95.3 reported in September. The NFIB also reported an increase in capital outlay by business owners, registering the second highest since 2008 at 26%.
- The Redbook Research Inc. reported lower retail same store sales growth in the US for the previous week. The Redbook Index month-on-month figure was at -0.1%, lower than the previous reading of 0.2%. This brought down the year-on-year reading from 3.9% to 3.8%.
- US bond markets were closed due to the Veteran’s Day holiday.
- European stocks rose higher as corporates posted positive earnings results. The FTSEurofirst 300 rose 4.03 points, or 0.3%, to close at 1,358.78.
- The US Dollar appreciated against the Euro as investors factored in increased optimism in US small businesses for October, and ahead of 3Q 2014 GDP figures in the Eurozone. The EUR/USD pair fell 0.0057 to close at 1.2450.

Asia Pacific

- Asian equities ended mixed, as country-specific factors dominated local markets with the lack of fresh leads from the US and the Eurozone. Japan's Nikkei climbed 2.05% on Monday as a weaker yen boosted exporters' share prices. The Shanghai Composite closed slightly lower by 0.16% in light of profit-taking, while Hong Kong's Hang Seng index rose by 0.27% due to the boost in tech stocks after reports of an agreement between US and China to drop tariffs on select products.

Key Indicators

EQUITIES BENCHMARK INDICES	11-Nov-14	DoD change	WoW change	MoM change	Ytd change
Philippine Stock Exchange Index	7,204.55	0.17%	-0.24%	0.52%	22.32%
MSCI World USD Index	1,716.83	0.13%	1.10%	5.54%	3.79%
MSCI All Country Asia Pacific ex-Japan Total Returns	398.04	-0.07%	-0.17%	3.25%	6.16%
MSCI Europe USD Index	1,636.78	0.23%	1.33%	3.60%	-6.79%
FTSEurofirst 300 Index	1,358.78	0.30%	2.43%	5.09%	3.39%
Dow Jones Industrial Average Index	17,614.90	0.01%	1.33%	6.47%	6.90%
Standard & Poor's 500 Index	2,039.68	0.07%	1.37%	7.01%	10.77%
YIELDS AND PRICES	11-Nov-14	DoD change	WoW change	MoM change	Ytd change
91-Day Philippine Treasury Bill Yield (PDST-F)	1.5542	0.00%	0.03%	0.12%	1.06%
1-Year Philippine Treasury Bill Yield (PDST-F)	1.9729	-0.02%	0.04%	0.02%	1.04%
ROP2021 (Price)	107.049	(0.15)	(0.20)	0.90	3.43
ROP2034 (Price)	131.346	(0.34)	(0.32)	3.26	11.79
3-Month US Treasury Yield	0.0152	-0.01%	-0.01%	0.01%	-0.05%
2-year US Treasury Yield	0.5349	0.00%	0.02%	0.11%	0.15%
10-year US Treasury Yield	2.3604	0.00%	0.03%	0.08%	-0.64%
30-year US Treasury Yield	3.0926	0.00%	0.04%	0.08%	-0.84%
3-Month German Treasury Bill Yield	-0.123	0.00%	0.00%	-0.02%	-0.19%
Dubai Crude Oil Spot (\$/bbl)	78.84	-3.24%	-2.46%	-10.69%	-27.46%
1-month Nymex oil futures (\$/bbl)	77.94	0.70%	0.97%	-9.18%	-22.31%
Gold Spot (\$/oz)	1,164.29	1.12%	-0.35%	-4.81%	-4.04%
USD/PHP (PDEX close)	44.950	0.09	0.04	0.18	0.56

Source: Bloomberg

Asian Equity Markets

Asia Pacific Markets					
Last Trade as of November 11, 2014					
Country	Index	Value	DoD Change	% Change	
Asia Pacific	MSCI AC Asia Pacific Index	140.96	+ 0.05	+ 0.04	
Australia	S&P/ASX 200 Index	5,517.10	- 6.86	- 0.12	
China	Shanghai SE Comp Index	2,469.67	- 4.00	- 0.16	
Hong Kong	Hang Seng Index	23,808.28	+ 63.58	+ 0.27	
India	SENSEX	27,910.06	+ 35.33	+ 0.13	
Indonesia	Jakarta Composite Index	5,032.28	+ 66.90	+ 1.35	
Japan	Nikkei 225	17,124.11	+ 343.58	+ 2.05	
Malaysia	KLCI	1,825.11	- 2.82	- 0.15	
New Zealand	NZX 50 Index	5,490.79	+ 20.45	+ 0.37	
Singapore	Straits Times Index	3,292.15	- 8.85	- 0.27	
South Korea	KOSPI	1,963.00	+ 4.77	+ 0.24	
Taiwan	TWSE	9,034.14	- 15.84	- 0.18	
Thailand	SET Index	1,571.20	+ 3.86	+ 0.25	

Local Bond Market

Peso Interest Rates (PDEX PDST-R2)							
	11-Nov-14	10-Nov-14	Difference		11-Nov-14	10-Nov-14	Difference
1 month	1.2781	1.4929	- 0.215	4 year	2.8483	2.8647	- 0.016
3 month	1.3750	1.3494	+ 0.026	5 year	3.7750	4.0000	- 0.225
6 month	1.8941	1.6486	+ 0.246	7 year	3.7750	3.7750	0.000
1 year	1.8000	1.7743	+ 0.026	10 year	3.9452	3.9465	- 0.001
2 year	2.5500	2.4000	+ 0.150	20 year	5.0000	5.0000	0.000
3 year	2.4404	2.4453	- 0.005	25 year	4.7303	4.7465	- 0.016

Upcoming Economic Releases

Date	Philippines	Period Covered	Date	US	Period Covered
11/19/2014	Philippines BOP	Oct	11/12/2014	Mortgage Bankers Association US Mortgage Market Indx Weekly % Change SA Old Meth	Nov 7
			11/13/2014	US Initial Jobless Claims SA	Nov 8
			11/14/2014	Adjusted Retail & Food Services Sales SA Total Monthly % Change	Oct
			11/14/2014	University of Michigan Survey of Consumer Confidence Sentiment	Nov P
			11/17/2014	US Empire State Manufacturing Survey General Business Conditions SA	Nov
			11/17/2014	US Industrial Production MoM 2007=100 SA	Oct
			11/19/2014	US New Privately Owned Housing Units Started by Structure Total SAAR	Oct
			11/20/2014	US CPI Urban Consumers MoM SA	Oct
			11/20/2014	US Existing Homes Sales SAAR	Oct
			11/20/2014	Conference Board US Leading Index MoM	Oct

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