

Daily Matters

December 12, 2014

MARKET INDICATORS

As of December 11, 2014

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,072.10	-102.98	-1.44%
Dow Jones	17,596.34	63.19	0.36%
S&P 500	2,035.33	9.19	0.45%
NASDAQ	4,708.16	24.14	0.52%
MSCI Asia ex-Japan	558.40	-5.64	-1.00%
MSCI Emerging Market	946.04	-12.63	-1.32%
5 Yr FXTN	3.25	-5 bp	
10 Yr US Treasury	2.16	0 bp	
USD/PHP	44.45	-0.22	-0.48%

Source: Bloomberg

NEWS IN THE PHILIPPINES

Moody's upgrade Philippines, Monetary Policy Kept Steady And Inflation Forecast Cut, Jeepney Fare Rollback

- Moody's Investors Service upgraded Philippines' credit rating more than a year after it achieved minimum investment status, still riding on better state finances, continued prospects for strong economic growth, and resilience to global risks. The global debt watcher said yesterday that it has upgraded the country's long-term foreign currency issuer rating to Baa2, with a "stable" outlook, from the Baa3 grade with a "positive" outlook that was issued in October last year.
- Bangko Sentral ng Pilipinas (BSP) yesterday maintained policy settings anew at its last rate review for the year in the face of easing inflationary pressures and a cooling economy. Inflation forecasts were likewise cut to 4.2% from 4.4% for this year, 3.0% from 3.7% for 2015, and 2.6% from 2.8% for 2016.
- Regulatory decision yesterday to provisionally cut by P1 for the first four kilometers the public utility jeepney fare in Metro Manila, Mr. Guinigundo replied: "That is not in our baseline, but we have some preliminary estimate of the rollback in jeepney fares from P8.50 to P7.50 [per liter]." "We expect that while there will be some," according to BSP Deputy Governor Diwa C. Guinigundo

Local Bond Market

- Yields of local peso govies ended mixed yesterday. The 5yr benchmark ended at 3.25%, down by 5 bps.

Philippine Stocks

- Local shares fell yesterday towards the end of morning trading as losses overnight on Wall Street weakened stock markets. The Philippine Stock Exchange index (PSEi) fell to 7,072.10, down 102.98 points or 1.44%.

Philippine Peso

- The Philippine peso traded at a range of 44.47 to 44.63 yesterday and closed lower at 44.45 versus the previous day's close of 44.66.

NEWS AROUND THE WORLD

US Retail Sales Up, US Unemployment Claims Fell

- US Retail Sales which measures the change in the total value of sales at the retail level was at 0.7% compared to forecast of 0.4%. Meanwhile, Core Retail Sales which is the change in the total value of sales at the retail level, excluding automobiles, was also up at 0.5% compared to forecast at 0.1%.
- US Unemployment claims, which is the number of individuals who filed for unemployment insurance for the first time during the past week, fell to 294,000 from forecast of 299,000, signaling better economic health.

US Stock Market

- US markets finished higher on Thursday on back of good US data (falling unemployment and good retail sales numbers) despite new lows on Crude oil. The S&P 500 was up 9.19 points, or 0.45%, to 2,035.33. Nasdaq ended a bit higher by 24.14 points, or 0.52%, to 4,708.16. Dow Jones gained 63.19 points or 0.36% to 17,596.34.

Asian Stocks

- Asian equities fell on Thursday after Wall Street was hit by a further fall in oil prices and traders were taking their cash off the table before the end of the year after enjoying a surge over the past few weeks that has been supported by strong US data, Japanese easing measures and hopes for stimulus in China. The MSCI Asia-Ex Japan Index was at 558.40, down by -1.32%.

Emerging Markets

- Emerging Markets stocks fell for the fifth day as the ruble slumped to a record low after Russia raised interest rates. Energy producers slid after crude headed for a five-year low. The MSCI Emerging Markets Index declined by 1.32% to 946.04.

Sources: Bloomberg, Briefing.com, Business World, CNN, Inquirer, PhilStar, Reuters, WSJ

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