

# Daily Matters

February 14, 2014

## MARKET INDICATORS

As of February 13, 2014

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	6,101.72	-10.59	-0.17%
Dow Jones	16,027.59	63.65	0.40%
S&P 500	1,829.83	10.57	0.58%
NASDAQ	4,240.67	39.38	0.94%
MSCI Asia ex-Japan	526.16	-3.37	-0.64%
MSCI Emerging Market	945.83	-7.47	-0.78%
5 Yr FXTN	3.75	-	
10 Yr US Treasury	2.73	-3 bps	
USD/PHP	44.87	0.04	0.09%

Source: Bloomberg

## NEWS IN THE PHILIPPINES

### Net Foreign Portfolio Investment Outflow Reaches \$1.844B in January

- The Bangko Sentral ng Pilipinas (BSP) on Thursday said that sentiment on the Philippines turned sour, reflecting the overall “bearishness” toward emerging markets around the world. This was brought on by the US Federal Reserve’s decision last January to scale back its massive monthly bond-buying program to give the American economy a chance to stand on its own feet. Foreign portfolio investments, or “hot money,” reversed to a net outflow of \$1.844 billion in January from a net inflow of \$1.27 billion in the same month last year. This was the biggest monthly outflow on record.

### Local Bond Market

- The yield of the benchmark 5-year bond remained unchanged at 3.75%.
- Prices of local government securities rose today as market players took advantage of high yields and positioned on short- and long-tenored bonds. Yields dropped by 1.21 basis points with the short- and the long-end of the curve declining by 15.0 and 4.1 basis points, respectively.

### Philippine Stocks

- The local equities market declined yesterday, capping a six-day rally as local investors took profit from the recent run-up, sending the market sideways with a downward bias. Earlier

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during the week, the market had risen as investors positively received Fed Chair Janet Yellen's commitment to continuing the pace of the Fed's bond purchase tapering. The PSEi fell by 10.59 points, or -0.17%, to close at 6,101.72.

### **Philippine Peso**

- The Philippine peso weakened against the US dollar as importers purchased dollars for settling obligations. The local currency lost 4 centavos to close at 44.87.

## **NEWS AROUND THE WORLD**

### **Cold Weather Chills US Retail Sales; US Jobless Claims Up**

- Cold weather across much of the nation was cited for a drop in January retail sales. Retail sales fell a seasonally adjusted 0.4% MoM (Market estimate: 0%), the biggest drop in a year and a half, from a downwardly revised 0.1% drop in December (Previous: +0.2%). The back-to-back declines marked just the fourth time since the recession that sales fell in consecutive months. Weak car sales drove much of the past two months' declines.
- The number of Americans filing new claims for unemployment benefits rose last week. Initial claims for jobless benefits increased 8,000 to a seasonally adjusted 339,000 (Market estimate: 330k) in the week ended Feb. 8. The four-week moving average of claims rose slightly to 336,750. The number of continuing unemployment-benefits claims - those drawn by workers for more than a week - declined 18,000 to 2,953,000 (Market estimate: 2,964k) in the week ended Feb. 1.

### **US Stock Market**

- U.S. stocks were back in rally mode casting aside early losses following news that retail sales unexpectedly fell in both January and December. The Dow Jones Industrial Average climbed 63.65 points, or 0.4%, to 16,027.59. The S&P 500 rose 10.57 points, or 0.58%, to 1,829.83. The Nasdaq jumped 39.38 points, or 0.94%, to 4,240.67.

### **Asian Stocks**

- Asian shares fell on profit-taking Thursday following four strong sessions as a rally on Wall Street fizzled out. The MSCI Asia-Ex Japan Index dipped 0.64% or 3.37 points to close at 526.16.

### **Emerging Markets**

- Concerns over economic growth, corporate earnings and inflation drove emerging market stocks lower on Thursday. The MSCI Emerging Markets Index inched down 0.78% or 7.47 points to close at 945.83.

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

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