

Daily Matters

February 18, 2014

MARKET INDICATORS

As of February 17, 2014

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	6,167.82	54.16	0.89%
Dow Jones	16,154.39	-	-
S&P 500	1,838.63	-	-
NASDAQ	4,244.03	-	-
MSCI Asia ex-Japan	534.58	4.39	0.83%
MSCI Emerging Market	964.29	6.98	0.73%
5 Yr FXTN	3.85	15 bps	
10 Yr US Treasury	2.74	-	
USD/PHP	44.43	-0.30	-0.67%

Source: Bloomberg

NEWS IN THE PHILIPPINES

Remittances Hit All-Time High in 2013

- Bangko Sentral ng Pilipinas (BSP): Cash remittances in December rose by 9.1 percent year-on-year to a record \$2.2 billion. This brought the full-year figure to \$22.8 billion—also the highest on record for any 12-month period—representing an increase of 6.4 percent from the previous year. The expansion in 2013 was better than the 5-percent growth projected by the BSP at the start of the year.

Local Bond Market

- The yield of the benchmark 5-year bond rose by 15bps and closed at 3.85%.
- Prices of local government securities rose yesterday as bargain hunters arose following last week's rise in yields. Investors were also positioning ahead of the FXTN 5-72 auction today. Yields declined by an average of 1.42 basis points led by the long-end of the curve, which fell by 14.3 basis points. Meanwhile, the belly of the curve rose by 5.2 basis points.

Philippine Stocks

- The local equities market climbed yesterday following China's strong credit data which relieved investor concerns that Asia's largest economy was losing momentum. The PSEi increased by 54.16 points, or +0.89%, to close at 6,167.82.

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Philippine Peso

- The Philippine peso strengthened against the greenback following strong remittances data. The local currency appreciated by 30 centavos to close at 44.430.

NEWS AROUND THE WORLD

China Reports Strong Credit Growth; Tepid Economic Growth in Japan

- Lending by Chinese banks and in the largely unregulated underground market rebounded to 2.6 trillion yuan (\$430 billion) in January from December's 1.2 billion yuan, according to the central bank. Lending usually surges at the start of a new year but January's rise exceeded forecasts and might help to ease worries about cooling retail sales, manufacturing and other activity.
- The Japanese economy grew at the tepid rate of 1 percent in the final quarter of 2013, data showed Monday, falling short of analysts' expectations and heightening concerns that the country's recovery might not be strong enough to weather an impending sales tax increase, a worsening trade balance and other problems expected this year.

US Stock Market

- Closed for the President's Day Holiday.

Asian Stocks

- Asian stock markets rose on Monday following robust gains on Wall Street, despite disappointing Japanese growth figures which dampened hopes for a strong recovery. The MSCI Asia-Ex Japan Index tickled up 0.83% or 4.39 points to close at 534.58.

Emerging Markets

- Most emerging market stocks ended firmer on Monday, led by Thailand and Indonesia on hopes foreign funds will return to emerging markets, while positive earnings also helped boost sentiment. The MSCI Emerging Markets Index advanced 0.73% or 6.98 points to close at 964.29.

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

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