

MARKET INDICATORS

As of February 13, 2018

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	8,570.14	82.23	0.97%
Dow Jones	24,640.45	39.18	0.16%
NASDAQ	7,013.51	31.55	0.45%
S&P500	2,662.94	6.94	0.26%
MSCI Asia ex-Japan	709.22	7.39	1.05%
MSCI Emerging Market	1,164.49	11.12	0.96%
5Yr FXTN	4.95	1 bps	
10 Yr US Treasury	2.83	-3 bps	
USD/PHP	52.08	0.15	0.29%

Source: Bloomberg



News in the Philippines

Digital Transformation Can Lead \$8 Billion Rise in PH GDP

- In a study by Microsoft and IDC Asia/Pacific that examined the impact of digital transformation on traditional business models, shows that digital transformation can drive the country's gross domestic product (GDP) to rise by \$8 billion (P416.9 Billion) in four years, with an annual growth rate increasing by 0.4%. In 2017, 3% of the country's GDP was derived from digital products and services. IDC further expects that by 2021, 48% of the GDP of Southeast Asian countries will come from digital products and services with growth to be seen across industries. The study called "Unlocking the Economic Impact of Digital Transformation in Asia Pacific", looked into 15 Asian countries with 1,560 respondents of which 100 respondents came from the Philippines.

Local Bond Market

- The yield of the benchmark 5-year bond closed at 4.95, rising at 1 bps during yesterday's session.
- The yields of bonds were mostly negative throughout yesterday's session with 2 yields rising, 5 yields falling and 4 yields stagnant.

Philippine Stocks

- The local bourse bounced back to the 8,500-mark on Tuesday as influenced by the US and regional markets recovery. Selective buying of large-cap stocks drove the rise with counters such as holding firms, mining/oil, and property posting gains. On the other hand, the industrial counter ended yesterday lower. PSEi climbed 0.97% or 82.23 points landing at 8,570.14 at market's close.

Philippine Peso

- The local peso declined further at yesterday's close against the US dollar in anticipation of the US inflation data release. This has been the biggest dip in more than 11 years. The peso closed the day at PHP 52.08.



News around the World

US Small Business Optimism in January Exceeds Expectations

- According to the latest survey conducted by the National Federation of Independent Business (NFIB), optimism among small companies in January is high saying that that owners believe that it is a good time to expand their businesses. The Small Business Optimism overall index rose two points ending at 106.9 in January, the highest it has been since November last year's 107.5-record on monthly data since 1986. Looking at the data closer, 32% said that it is a good time to grow businesses. Supporting this, net 41% sees that the economy will improve. William Dunkelberg and Holly Wade of the NFIB consider the new tax law and the decline in government-related cost pressures create a better environment for the small business to grow.

US Market

- Major US indices closed higher on Tuesday ahead of the release of inflation data. The S&P 500 ended 2,662.94 rose 0.26% or 6.94 points. The Dow Jones climbed 39.18 points or 0.16% to end at 24,640.45. The NASDAQ rose 31.55 points or 0.45% to close at 7,013.51.

Asian Stocks

- Asian markets advanced on Tuesday tracking Wall Street gains for the second straight day this week. The MSCI Asia-Ex Japan Index went up 1.05% or 7.39 points to close at 709.22.

Emerging Markets

- Emerging markets welcomed a second day of gains with a renewed risk appetite lead by the US stock markets. Further, South African markets rose with the decision to remove President Jacob Zuma as head of state. The MSCI Emerging Markets Index rose 0.96% or 11.12 points, closing at 1,164.49.