

Daily Matters

February 19, 2014

MARKET INDICATORS

As of February 18, 2014

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	6,193.97	26.15	0.42%
Dow Jones	16,130.40	-23.99	-0.15%
S&P 500	1,840.76	2.13	0.12%
NASDAQ	4,272.78	28.75	0.68%
MSCI Asia ex-Japan	533.99	-0.59	-0.11%
MSCI Emerging Market	958.87	-5.42	-0.56%
5 Yr FXTN	3.80	-5 bps	
10 Yr US Treasury	2.71	-4 bps	
USD/PHP	44.61	0.18	0.41%

Source: Bloomberg

NEWS IN THE PHILIPPINES

Outstanding Debt Climbs 4.5%

- Bureau of Treasury (BoT): Total outstanding debt of the national government grew at an annual pace of 4.5% at the end of 2013, as the country continued to increase the domestic component of its liabilities. The government's total debt stock in December 2013 reached P5.681 trillion, 4.5% higher than the P5.437 trillion registered in the end of 2012. The full year debt fell below the P5.868 trillion projection on the national budget. Out of the government's outstanding obligations in 2013, P3.733 trillion or 66% was owed to domestic creditors, with the balance to foreign lenders.

Local Bond Market

- The yield of the benchmark 5-year bond dropped 5 bps to close at 3.80%.
- The yields of bonds were mostly unchanged with 6 tenors flat and equal tenors advancing and declining. All short term yields were unchanged.

The content on this material is provided for information purposes only and should not be considered as investment advice. This document is not a solicitation or an offer to buy or sell any securities or related financial products. While this document was prepared with reasonable care, no guarantee is given as to the accuracy and completeness of the information herein. Information and/or views contained herein are for information only and based on data that ATR KimEng Asset Management (ATRAM) has researched. However, ATRAM does not represent that the information and/or views are accurate or complete, and these should not be relied upon as such. Any person receiving this document must make his/her own investigation and satisfy him-/herself as to the accuracy and completeness of the information and/or views. Any information or opinion expressed in this document is subject to change without prior notice. This document may not be reproduced or distributed without written consent from ATR KimEng Asset Management.

Philippine Stocks

- Philippine stocks gained for a third straight day on buying momentum from generally favorable corporate earnings results. The Philippine Stock Exchange index (PSEi) rose by 0.42% or 26.15 points to close at 6,193.97. Market breadth was positive with advancers at 89 and losers at 73 while 33 issues did not move.

Philippine Peso

- The peso gave up gains, tracking other Asian currencies, after the Bank of Japan's (BOJ) decision to double loan programs prompted market participants to snap up the dollar. The local currency closed higher by 0.41% or 18 cents at 44.61.

NEWS AROUND THE WORLD

China Slashes U.S. Treasury Holdings; U.S. Consumer Debt Rises the Most in 6 Years

- U.S. Treasury Department: China, the largest foreign creditor of the U.S., cut its holdings of U.S. Treasury debt in December by the most in two years after the U.S. Fed's decision to taper its bond buying program. The world's second largest economy reduced its position on U.S. government bonds by \$47.8 billion or 3.6% to \$1.27 trillion, the largest decline since December 2011.
- Federal Reserve Bank of New York: U.S. household borrowing rose last quarter by the most in 6 years as Americans borrowed to buy homes and cars and pay for education. Household debt increased by 2.1% or \$241 billion, to \$11.52 trillion, the largest gain since the third quarter of 2007.

US Stock Market

- US stocks ended mixed as investors digested the latest corporate earnings while tech stocks surged. The Dow Jones finished lower while both the S&P 500 and NASDAQ advanced. The NASDAQ closed at its highest level since January 2000. (Dow Jones -0.15% 16,130.40; NASDAQ 0.68% 4,272.78; S&P 500 0.12% 1,840.76)

Asian Stocks

- Asian stocks slipped as Chinese shares dropped from two-month highs after the China's central bank drained funds from money markets. The MSCI Asia-Ex Japan Index shed 0.11% or 0.59 points to close at 533.99.

The content on this material is provided for information purposes only and should not be considered as investment advice. This document is not a solicitation or an offer to buy or sell any securities or related financial products. While this document was prepared with reasonable care, no guarantee is given as to the accuracy and completeness of the information herein. Information and/or views contained herein are for information only and based on data that ATR KimEng Asset Management (ATRAM) has researched. However, ATRAM does not represent that the information and/or views are accurate or complete, and these should not be relied upon as such. Any person receiving this document must make his/her own investigation and satisfy him-/herself as to the accuracy and completeness of the information and/or views. Any information or opinion expressed in this document is subject to change without prior notice. This document may not be reproduced or distributed without written consent from ATR KimEng Asset Management.

Emerging Markets

- Emerging-market stocks snapped out of a two day rally after China's decision to drain funds from the banking system hinted that the nation might tighten monetary policy. The MSCI Emerging Markets Index lost 0.56% or 5.42 points to close at 958.87.

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

The content on this material is provided for information purposes only and should not be considered as investment advice. This document is not a solicitation or an offer to buy or sell any securities or related financial products. While this document was prepared with reasonable care, no guarantee is given as to the accuracy and completeness of the information herein. Information and/or views contained herein are for information only and based on data that ATR KimEng Asset Management (ATRAM) has researched. However, ATRAM does not represent that the information and/or views are accurate or complete, and these should not be relied upon as such. Any person receiving this document must make his/her own investigation and satisfy him-/herself as to the accuracy and completeness of the information and/or views. Any information or opinion expressed in this document is subject to change without prior notice. This document may not be reproduced or distributed without written consent from ATR KimEng Asset Management.