

Daily Matters

February 20, 2014

MARKET INDICATORS

As of February 19, 2014

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	6,294.62	100.65	1.62%
Dow Jones	16,040.56	-89.84	-0.56%
S&P 500	1,828.75	-12.01	-0.65%
NASDAQ	4,237.95	-34.83	-0.82%
MSCI Asia ex-Japan	534.94	0.95	0.18%
MSCI Emerging Market	959.09	0.22	0.02%
5 Yr FXTN	3.85	5 bps	
10 Yr US Treasury	2.74	3 bps	
USD/PHP	44.62	0.01	0.02%

Source: Bloomberg

NEWS IN THE PHILIPPINES

Tax Collections Fail to Meet Target; BOP Gap Widens

- Bureau of Internal Revenue (BIR): Tax collections grew by double digit numbers last year as compared to 2012 but still fell short of the full-2013 target. The revenue collection arm received P1.217 trillion last year, 15.03% more than the P1.058 trillion collected in 2012. However, the year-end tally fell below the target of P1.253 trillion by around P37 billion.
- Bangko Sentral ng Pilipinas (BSP): The country had a \$4.48 billion Balance Of Payments (BOP) deficit in January, driven primarily by capital flight as investors dumped emerging market assets. The past four straight months have had BOP surpluses until it swung to a deficit last month, nearly wiping out the \$5.1 billion surplus registered in 2013 and was the widest on record.

Local Bond Market

- The yield of the benchmark 5-year bond gained 5 bps to close at 3.85%.
- The yields of bonds were mostly unchanged with 6 tenors flat 5 rising, and only 1 falling. The yields of most long term tenors were unchanged.

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Philippine Stocks

- Philippine stocks climbed to its highest level in three months, extending gains for a fourth consecutive day, on continued investor sentiment on favorable corporate earnings. The Philippine Stock Exchange index (PSEi) jumped by 1.63% or 100.65 points to close at 6,294.62. Market breadth was positive with gainers at 110 and losers at 52 while 42 issues did not move.

Philippine Peso

- The peso barely budged ahead of the release of the minutes of the US Federal Reserve's meeting last January 28 to 29. The local currency closed higher by 0.02% or 1 cent at 44.62.

NEWS AROUND THE WORLD

US Fed Votes to Continue Tapering; Japan's Industry Index Falls

- US Federal Reserve: The minutes from the central bank's meeting three weeks ago showed that the Fed's 10 voting members unanimously decided to further reduce the central bank's stimulus program to \$65 billion in February, down from \$75 billion in January. Fed officials stated that as long as the economic outlook does not change, the Fed will likely reduce bond purchases by \$10 billion after every meeting.
- Japan Ministry of Economy, Trade, and Industry: The All Industries Activity Index, which measures the monthly change in overall sector production in the Japanese economy, fell 0.1% in January after rising 0.4% in December. Economists expected the index to rise by 0.2%.

US Stock Market

- US stocks slumped as investors digest the latest Federal Reserve meeting and disappointing economic data. However, tech stocks continued to shine. (Dow Jones -0.56% 16,040.56; NASDAQ -0.82% 4,237.95; S&P 500 -0.65% 1,828.75)

Asian Stocks

- Asian stocks rose, heading to a one-month high, on gains from the healthcare sector. The MSCI Asia-Ex Japan Index added 0.18% or 0.95 points to close at 534.94.

Emerging Markets

- Emerging-market stocks edged up despite political concerns in Ukraine and Thailand. The MSCI Emerging Markets Index gained 0.02% or 0.22 points to close at 959.09.

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

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