

Daily Matters

April 22, 2014

MARKET INDICATORS

As of April 21, 2014

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	6,767.51	96.33	1.44%
Dow Jones	16,449.25	40.71	0.25%
S&P 500	1,871.89	7.04	0.38%
NASDAQ	4,121.55	26.03	0.64%
MSCI Asia ex-Japan	559.63	-0.53	-0.09%
MSCI Emerging Market	1,010.76	-1.11	-0.11%
5 Yr FXTN	3.59	9 bps	
10 Yr US Treasury	2.72	-1 bps	
USD/PHP	44.43	-0.01	-0.03%

Source: Bloomberg

NEWS IN THE PHILIPPINES

BoP Swings to Deficit of \$4.471B in Q1

- Bangko Sentral ng Pilipinas (BSP): The country's balance of payments (BoP) turned into a deficit of US\$336 million in March coming from a US\$345 million surplus posted in February. The March print was likewise a reversal from the surplus of US\$452 million registered in the same period a year ago. Moreover, this has brought the year-to-date deficit to US\$4.471 billion. BSP Governor Amando M. Tetangco Jr. stated that the BoP deficit for March was mainly attributed to foreign currency debt repayments of the national government and the central bank's foreign exchange operations. He added that this stemmed from net outflows in foreign portfolio investments amid uncertainty over the pace of tapering of the US Fed's quantitative easing measures.

Local Bond Market

- The yield of the benchmark 5-year bond gained 9bps to close at 3.59%.
- Yields of local government securities marginally rose as market players stayed on the sidelines ahead of the Bureau of the Treasury's Php25 billion auction today. Yields across the curve climbed by 2.03 basis points led by short-tenored buckets, which rose by 7.7 basis points.

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Philippine Stocks

- The local benchmark index ended above the 6,700-mark for the first time since July last year, as the market sought to catch up with last week's rallies overseas. The PSEi gained 96.33 points, or +1.44%, to close at 6,767.51.

Philippine Peso

- The Philippine peso traded sideways against the US dollar amid the lack of market-moving news. The local currency gained 1 centavo to close at 44.43.

NEWS AROUND THE WORLD

US Conference Board's Index of Leading Indicators Rises by 0.8%; Fed Chicago's National Index Matches Consensus Estimate at 0.2; Japan Export Growth Slows Sharply

- Leading U.S. economic indicators showed continued improvement in March, rising for a third consecutive month. The Conference Board said its leading index rose 0.8% (Market estimate: +0.7%), on top of an unrevised increase of 0.5% in February.
- The Federal Reserve Bank of Chicago's national index, which is derived from 85 economic indicators, came out 0.2 in March, matching the consensus estimate, compared to the revised 0.53 in February. Note that any figure below zero indicates below-trend-growth in the national economy.
- Japan suffered its worst annual trade deficit in March as exports growth slowed to its weakest in a year, suggesting a rapid loss of economic momentum that may prompt policy makers into early action as a national sales tax hike puts more strain on growth. Ministry of Finance data showed that exports rose 1.8 percent in March from a year earlier, the slowest since March last year.

US Stock Market

- The S&P 500 rose for a fifth straight day, its best run since October, as investors showed cautious optimism in the wake of last week's strength and ahead of a raft of key corporate earnings reports due in the coming days. The Dow Jones Industrial Average firmed 40.71 points, or 0.25%, to 16,449.25. The S&P 500 rose 7.04 points, or 0.38%, to 1,871.89. The Nasdaq climbed 26.03 points, or 0.6%, to 4,121.55.

Asian Stocks

- Asian markets mostly ended lower Monday as investors turned cautious for various reasons, including worries for an oversupply of stocks in China. The MSCI Asia-Ex Japan Index dropped 0.09% or 0.53 points to close at 559.63.

Emerging Markets

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- Most emerging-market stocks fell, led by shares in South Korea and China. The MSCI Emerging Markets Index slipped 0.11% or 1.11 points to close at 1,010.76.

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

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