

MARKET INDICATORS

As of August 30, 2017

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,956.73	8.34	0.10%
Dow Jones	21,892.43	27.06	0.12%
NASDAQ	6,368.31	66.42	1.05%
S&P500	2,457.59	11.29	0.46%
MSCI Asia ex-Japan	663.24	5.92	0.90%
MSCI Emerging Market	1,088.00	6.77	0.63%
5Yr FXTN	4.63	0 bps	
10 Yr US Treasury	2.13	0 bps	
USD/PHP	51.15	0.15	0.30%

Source: Bloomberg



News in the Philippines

Malacañang and Congress agree on target bills

- In a meeting yesterday, the Palace and Congress have agreed on 28 legislative priorities to be completed by the time President Rodrigo R. Duterte steps down in 2022. The Legislative-Executive Development Advisory Council (LEDAC), led by President Duterte, agreed on policies that hope to make the Philippines an “upper middle income” economy under the World Bank’s classification within five years. At the moment, the country has a “lower middle income” status. A few of the targets the administration wants to hit are a Gross Domestic Product (GDP) expansion of 7-8% annually until 2022 (as compared to last year’s, 6.9%), a per capita income figure of \$5,000 (from \$3,550 in 2015), unemployment rate of 3-5% (from 5.5% in 2016) and finally, poverty incidence of 13-15% (down from 21.6% in 2015).

Local Bond Market

- The yield of the benchmark 5-year bond closed at 4.63, remaining stagnant during Wednesday’s session.
- The yields of bonds traded mostly stagnant throughout yesterday’s session. Yesterday, 2 yields rose, 4 yields fell and 5 yields remained stagnant.

Philippine Stocks

- Local stocks advanced yesterday after investors lessened concerns in regard to geopolitical tensions. The PSEi gained 0.10% or 8.34 points to end the day at 7,956.73.

Philippine Peso

- The local peso weakened against the U.S. dollar yesterday as investors waited for key US economic data overnight. The peso closed the day at PHP 51.15.



News around the World

US Q2 GDP higher than expected

- Economic data released yesterday showed that the US economy grew faster than expected throughout the second quarter. Gross Domestic Product (GDP) for the quarter reached 3.0%, its quickest pace in more than two years, compared to analyst expectations of 2.7%. The Q2 growth followed the heels of the first quarter’s 1.2%. The jump was attributed to robust consumer spending and strong business investment that is only increasing moving into the third quarter. The economy is looking to maintain this upward trajectory and analysts expect it do so as well, predicting Q3 growth to reach a 3.4% rate.

US Market

- U.S. stocks gained at yesterday’s close after the Commerce Department said that the country’s economy grew faster than expected in Q2. Furthermore, President Donald J. Trump called on Congress to act and advance tax reform, a move that was considered popular by many businesses. The S&P 500 ended at 2,457.59 rising 0.46% or 11.29 points. The Dow Jones gained 27.06 points or 0.12% to end at 21,892.43. The NASDAQ ended the day in the green as well, gaining 66.42 points or 1.05% to close at 6,368.31.

Asian Stocks

- Asian equity indices gained yesterday after economic data showed the strength of both the American and Chinese economies. The MSCI Asia-Ex Japan Index rose by 0.90% or 5.92 points to close at 663.24.

Emerging Markets

- Emerging markets ended the day positive after investors shrug off major concerns about North Korea. The MSCI Emerging Markets Index advanced 0.63% or 6.77 points, closing at 1,088.00.