

## MARKET INDICATORS

As of January 10, 2018

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	8,920.29	-3.43	-0.04%
Dow Jones	25,369.13	-16.67	-0.07%
NASDAQ	7,153.57	-10.01	-0.14%
S&P500	2,748.23	-3.06	-0.11%
MSCI Asia ex-Japan	738.65	-3.76	-0.51%
MSCI Emerging Market	1,197.53	-7.61	-0.63%
5Yr FXTN	4.75	2 bps	
10 Yr US Treasury	2.56	0 bps	
USD/PHP	50.38	0.06	0.12%

Source: Bloomberg



## News in the Philippines

### Foreign inflows soar; Factory output declines

- According to the Bangko Sentral ng Pilipinas (BSP), net Foreign Direct Investment (FDI) flows to the country jumped for the month of October, recording the biggest amount in 16 months. Net FDI inflows reached \$2.017 billion in October, three times the \$670 million that infused the country in October 2016. October's net inflow is the largest since April 2016's \$2.244 billion. The jump in FDI is attributed to investor confidence in the country's strong macroeconomic base and growth prospects after the passage of the recent tax reform. On the other hand, the National Economic and Development Authority (NEDA) said yesterday that factory output dropped by 8.1% from October to November as a result of lesser production of chemicals, tobacco products, textiles as well as footwear apparel.

### Local Bond Market

- The yield of the benchmark 5-year bond closed at 4.75, gaining 2 bps during yesterday's session.
- The yields of bonds traded mostly negative throughout yesterday's session with 1 yield rising, 5 yields falling and 5 yields remaining stagnant.

### Philippine Stocks

- After another record high, local stocks slowed down at yesterday's close. The market was tired from reaching successive highs and the lack of news locally took an effect. Investors are waiting for corporate earnings season that will arrive next month. The PSEi fell 0.04% or 3.43 points to end the day at 8,920.29.

### Philippine Peso

- The local peso weakened against the greenback during yesterday's session after the release of negative local trade data for November. The peso closed the day at PHP 50.38.



## News around the World

### China's inflation rises and PPI beats expectations

- Economic news released yesterday showed that China's consumer inflation increased for the month of December. The Consumer Price Index (CPI), a main gauge for inflation, rose 1.8% YoY, up from November's 1.7%. The uptick was due to a fast increase in non-food prices over the year. Furthermore, the Producer Price Index (PPI) increased by 4.9% YoY, down from 5.8% in November. Analysts were expecting the rise in PPI to slow to 4.8%.

### US Market

- US stocks closed the day negative yesterday, falling for the first time this year. Investors strayed from the market amid rumors that President Donald J. Trump's administration wants to leave NAFTA, a decades-old trade regime. The S&P 500, ended at 2,748.23 falling 0.11% or 3.06 points. The Dow Jones dropped 16.67 points or 0.07% to end at 25,369.13. The NASDAQ shed 10.01 points or 0.14% to close at 7,153.57.

### Asian Stocks

- Asian stocks were negative yesterday after a rise in bond yields this week may test stock valuations. The MSCI Asia-Ex Japan Index fell 0.51% or 3.76 points to close at 738.65.

### Emerging Markets

- Emerging markets fell yesterday after continuing political tensions rise within the region as well as recent economic data from China. The MSCI Emerging Markets Index fell 0.63% or 7.61 points, closing at 1,197.53.