

Daily Matters

October 18, 2016

MARKET INDICATORS

As of October 17, 2016

Index/ Bond	Index Level/Yield	DoD Change	DoD % Change
PSEi	7,358.21	-31.09	-0.42%
Dow Jones	18,086.40	-51.98	-0.29%
S&P500	2,126.50	-6.48	-0.30%
Nasdaq	5,199.82	-14.34	-0.28%
MSCI Asia ex-Japan	541.53	-2.41	-0.44%
MSCI Emerging Market	894.71	-2.32	-0.26%
5Yr FXTN	3.79	1bp	
10 Yr US Treasury	1.77	-3bps	
USD/PHP	48.58	0.19	0.39%
PSEi	7,358.21	-31.09	-0.42%

Source: Bloomberg

NEWS IN THE PHILIPPINES

Cash remittance increase fastest in two years -- BSP

- Bankgo Sentral ng Pilipinas (BSP) confirmed that the cash remittances grew at their fastest pace in over two years last August as OFWs sent more money for the coming school year. The money reached \$2.319 billion in August, surging by 16.3%. It also reversed a 0.6% reduction in such flows tallied in August last year.
- According to the Central Bank, the double digit year-on-year growth posted is largely due to the base effect which brought the eight-month tally to \$17.642 billion, 4.6% more than the \$16.868 billion recorded during the comparable period in 2015.

Local Bond Market

- The yield of the benchmark 5-year bond closed at 3.79% with 0.64 bps which is a bit higher than the previous mark.
- The yields of bonds rose across the board as all yields were on the green led by the 10 and 20-year yield.

Philippine Stocks

- The Philippine Stock Market failed to withstand being on the positive territory as index heavyweights fell amidst lingering uncertainties as the Philippine Stock Exchange index

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(PSEi) lost 31.09 points or 0.42% to close at 7,358.21.

Philippine Peso

- The local peso weakened to a 7-year low against the US dollar after yesterday's trade due to expectations of a possible interest rate hike by the US Federal Reserve and as well as the upbeat US retail sales data that was released over the weekend.
- The Philippines peso appeared to be the worst performing currency, dropping 4% in September due to uncertainties brought about by the possible interest rate hike by the US Federal Reserve.

NEWS AROUND THE WORLD

Industrial Production & Capacity Utilization Weak in September

- According to the US Federal Reserve showed that Industrial Production rose a seasonally adjusted 0.1% in September, which is predicted by Bloomberg and Dow Jones to have a gain of 0.2%, and total capacity utilization was at 75.4% in September, a bit lower than the estimated 75.6% from Bloomberg and Dow Jones.

US Stock Market

- The US Stock Market slipped from their four-month highs amidst uncertainty over the health of the global economy which is due to declining oil prices that pushed energy stocks down and consumer discretionary shares stumbled. (Dow Jones 18,086.40 -0.29%; NASDAQ 5,199.82 -14.34%; S&P 500 2,126.50 -6.48%)

Asian Stocks

- Asian stocks were mixed after yesterday's trade with casino-related stocks in Hongkong sharply falling as Chinese authorities detained employees at casino operator Crown Resorts for suspected gambling crimes. The MSCI Asia-Ex Japan Index is at -2.41 points or -0.44% at 541.53.

Emerging Markets

- Emerging market stocks was weighed down by the US dollar playing its strongest level in nearly seven months following comments by Fed Reserve Chair and investors speculated the 2016 rally has stuck amid concerns over China's economic slowdown. The MSCI Emerging Markets Index finished off at -0.26% or -2.32 points at 894.71.

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

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