

February 13, 2018

## LOCAL MARKETS

Local equities were flat with a slight downward bias as investors remained bearish. Meanwhile, local fixed income space yields climbed after the partial awarding of a treasury bill auction at yields higher than previous auctions, while the peso continued its sentiment-driven depreciation against the dollar.

### Key Events

- ✓ **Semirara Mining and Power Corporation (PSE Ticker: SCC)** announced through a disclosure in the PSE that it was certified by the International Organization for Standardization (ISO) on quality and environmental management systems. Recall that SCC is the only power producer in the country that owns and mines its own fuel source.
- ✓ In a media release, the **Bangko Sentral ng Pilipinas** announced that foreign direct investments (FDI) net inflows amounted to \$869 Mn in November 2017, an amount 16.9% higher YoY. The bulk of gross equity capital investments were deployed mainly in manufacturing; real estate; electricity, gas, steam, and air-conditioning supply; construction; and wholesale and retail trade.

### Equities

- ✓ **Local equities** were flat with a slight downward bias as investors remained bearish. All sectors except for Financials were down for the day. Non-index stocks (e.g. WILCON, NOW, POPI, etc.) were among the most active names. The PSEi ended at 8,487.9 (-0.19% DoD).

### Bond Market Movement

Tenor	Change	Yield	Tenor	Change	Yield
1 month	-0.0129	3.1746	4 years	+0.0286	5.0350
3 months	+0.0356	2.7461	5 years	+0.0252	4.9445
6 months	+0.5507	3.4218	7 years	+0.3785	6.5589
1 year	+0.7649	3.6914	10 years	+0.1582	6.6914
2 years	+0.3955	4.3107	20 years	+0.9294	6.9307
3 years	-0.0357	4.3342			

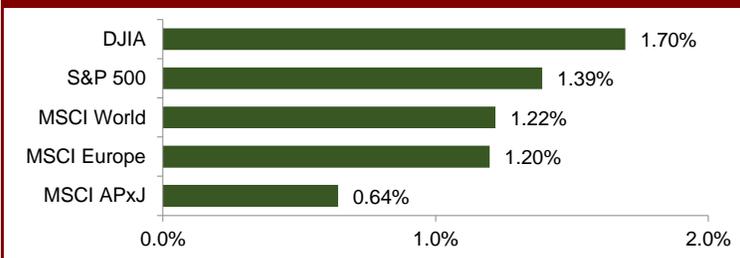
### Foreign Exchange

	Previous	Close		Previous	Close
PHP/USD	51.480	51.770	EUR/USD	1.2252	1.2268

## OVERSEAS MARKETS

Global equities rallied from last week's global market rout. Meanwhile, US Treasuries and the dollar weakened ahead of the upcoming inflation report and as investors moved back to risky assets.

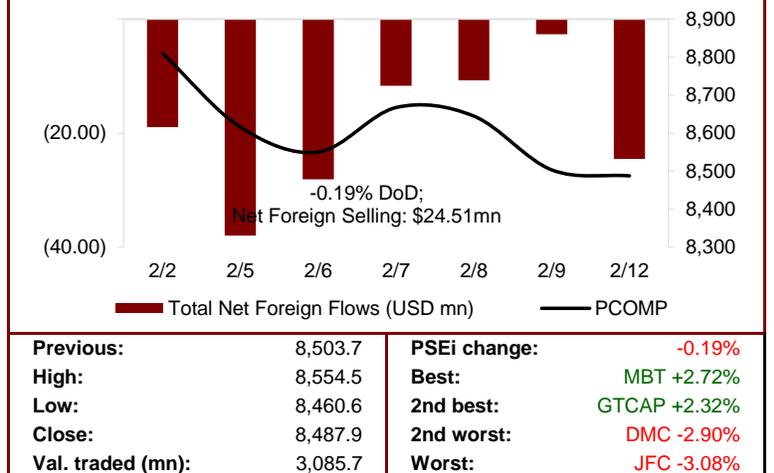
### Global Markets



### US Treasuries

Tenor	Change	Yield	Tenor	Change	Yield
3 months	+0.0152	1.5697	5 years	+0.0154	2.5587
6 months	+0.0411	1.7742	10 years	+0.0073	2.8585
2 years	+0.0021	2.0753	30 years	-0.0157	3.1439

### PSEi Snapshot



### Fixed Income

- ✓ **Local fixed income yields** climbed across all tenors as the Bureau of Treasury partially awarded yesterday's 91-day, 182-day, and 364-day treasury bill auction (PHP14.2 bn out of the total PHP20.0 bn) after a streak of no awards. The accepted bids all had higher yields than previous auctions but were below the secondary market. On average, yields rose 29.25 bps.

### Philippine Peso

- ✓ The **Philippine peso** continued to decline against the dollar, as net foreign outflows in the stock market picked up again. Negative sentiment continues to drive the currency down. The PHP/USD ended at 51.770 (+0.56% DoD).

