

Local

- The local equities market declined yesterday, capping a six-day rally as local investors took profit from the recent run-up, sending the market sideways with a downward bias. Earlier during the week, the market had risen as investors positively received Fed Chair Janet Yellen's commitment to continuing the pace of the Fed's bond purchase tapering. The PSEi fell by 10.59 points, or -0.17%, to close at 6,101.72. Almost all sectoral indices ended negative led by mining and oil (-1.20%), services (-1.12%), and property (-0.68%) while only industrial (+0.63%) and holding firms (+0.28) managed to eke out gains. Market breadth was negative with 73 declines outnumbering 63 advances, while 57 issues were unchanged. Total value turnover amounted to Php5.14 billion. Foreign investors were net buyers at Php0.19 billion.
- Data from the Bangko Sentral ng Pilipinas (BSP) showed that foreign portfolio investments registered a net inflow of US\$1.844 billion in January. Registered investments amounted to US\$1.277 billion in the same period or 4.24% higher year-on-year, while outflows soared by US\$3.121 billion. The BSP said that investors started to divert funds back to the United States as the US economy exhibited more signs of economic recovery.
- The country's total tourism revenues climbed by 15% year-on-year to US\$4.4 billion in 2013, data from the Department of Tourism (DOT) showed. Tourism Secretary Ramon Jimenez Jr. said that the increase was mainly due to the improvement in the average daily expenditure of inbound tourists, which also increased 8.7% to US\$101.12. The overall average length of stay of visitors remained at 9.6 nights with visitors from the US registering an average stay of 13.4 nights. Data from the DOT also revealed that Koreans spent roughly US\$140.81 per day.
- Prices of local government securities rose yesterday as market players took advantage of high yields and positioned on short- and long-tenored bonds. Yields dropped by 1.21 basis points with the short- and the long-end of the curve declining by 15.0 and 4.1 basis points, respectively.
- The Philippine peso weakened against the US dollar yesterday as importers purchased dollars for settling obligations. The local currency lost 3 centavos to close at 44.860.

US and Europe

- US equities climbed on Thursday following the release of strong corporate earnings results, which countered weak retail sales data. The Dow Jones Industrial Average index added 63.65 points, or +0.40%, to 16,027.59 and the S&P500 index rose 10.57 points, or +0.58%, to 1,829.83.
- The number of Americans filing for jobless benefits rose by 8,000 to 339,000 last week, according to data released by the Labor Department. Market estimate had been for claims to decrease to 330,000.
- Data released by the Commerce Department showed retail sales in the US for the month of January unexpectedly declined by 0.4%, following November's downwardly revised -0.1%. Market estimate had been for sales to report no change. The drop was mainly due to slower employment and wage growth in the last two months, along with the colder-than-average weather, which prompted shoppers to pull back.
- US Treasury prices gained back the previous days' losses after a dismal January retail sales report and a rise on jobless claims prompted investors to take a risk-off sentiment. Demand for safe-havens was also evident in the Treasury Department's US\$16 billion 30-year bond auction, which garnered a yield of 3.690%, the lowest since August last year. For the day, the 10-year benchmark yield dropped 6 basis points to 2.73%.
- European stocks fell back as investors digested disappointing earnings data from companies such as Rolls Royce and Nestle. The FTSEurofirst300 index lost 0.11% to 1,325.39.
- The euro moved higher against the US dollar following weaker-than-expected data from the world's largest economy. The shared currency added 0.88 cents to EUR/USD1.3681.

Asia Pacific

- Asian markets pulled back Thursday for mixed reasons. Chinese shares dropped 0.55% and Hong Kong stocks retracted 0.54% as investors booked profits after several consecutive days of winning streaks. Japanese shares, meanwhile, fell 1.8% after the yen appreciated against the US dollar. Indian shares closed 1.25% lower following concerns about financial institutions' performance in the fourth quarter of 2013. The MSCI All Country Asia Pacific Index sank 1.25 points, or -0.92%, to 135.19.

Key Indicators

EQUITIES BENCHMARK INDICES	13-Feb-14	DoD change	WoW change	MoM change	Ytd change
Philippine Stock Exchange Index	6,101.72	-0.17%	3.16%	2.71%	3.60%
MSCI World USD Index	1,643.19	0.33%	3.17%	-0.13%	-0.66%
MSCI All Country Asia Pacific ex-Japan Total Returns	364.85	-0.63%	2.83%	-1.80%	-2.70%
MSCI Europe USD Index	1,759.22	0.43%	3.21%	0.30%	0.18%
FTSEurofirst 300 Index	1,325.39	-0.11%	2.71%	0.07%	0.84%
Dow Jones Industrial Average Index	16,027.59	0.40%	2.55%	-1.42%	-2.74%
Standard & Poor's 500 Index	1,829.83	0.58%	3.18%	0.58%	-0.63%
YIELDS AND PRICES	13-Feb-14	DoD change	WoW change	MoM change	Ytd change
91-Day Philippine Treasury Bill Yield (PDST-F)	1.1875	-0.02%	-0.22%	0.20%	0.70%
1-Year Philippine Treasury Bill Yield (PDST-F)	1.9417	-0.10%	-0.29%	-0.11%	1.01%
ROP2021 (Price)	103.561	(0.16)	0.19	(0.52)	(0.06)
ROP2034 (Price)	119.863	(0.07)	0.29	0.89	0.31
3-Month US Treasury Yield	0.0203	-0.03%	-0.05%	-0.01%	-0.04%
2-year US Treasury Yield	0.3110	-0.03%	-0.01%	-0.05%	-0.08%
10-year US Treasury Yield	2.7320	-0.03%	0.03%	-0.09%	-0.27%
30-year US Treasury Yield	3.6829	-0.04%	0.01%	-0.09%	-0.25%
3-Month German Treasury Bill Yield	0.052	-0.01%	-0.01%	-0.01%	-0.01%
Brent Crude Oil Spot (\$/bbl)	109.36	0.00%	0.00%	0.00%	0.00%
Dubai Crude Oil Spot (\$/bbl)	104.64	-0.37%	2.08%	1.12%	-3.73%
1-month Nymex oil futures (\$/bbl)	100.35	-0.02%	2.57%	9.31%	0.03%
Gold Spot (\$/oz)	1,302.90	0.91%	3.55%	3.96%	7.38%
USD/PHP (PDEX close)	44.860	0.03	(0.32)	0.26	0.46

Source: Bloomberg

Asian Equity Markets

Asia Pacific Markets					
		Last Trade as of February 13, 2013			
Country	Index	Value	DoD Change	% Change	
Asia Pacific	MSCI AC Asia Pac Index	135.19	- 1.25	- 0.92	
Australia	S&P/ASX 200 Index	5,308.10	- 1.95	- 0.04	
China	Shanghai SE Comp Index	2,098.40	- 11.55	- 0.55	
Hong Kong	Hang Seng Index	22,165.53	- 120.26	- 0.54	
India	SENSEX	20,193.35	- 255.14	- 1.25	
Indonesia	Jakarta Composite Index	4,491.66	- 4.63	- 0.10	
Japan	Nikkei 225	14,534.74	- 265.32	- 1.79	
Malaysia	KLCI	1,817.15	- 8.49	- 0.47	
New Zealand	NZX 50 Index	4,873.53	+ 3.56	+ 0.07	
Singapore	Straits Times Index	3,039.90	+ 4.45	+ 0.15	
South Korea	KOSPI	1,926.96	- 8.88	- 0.46	
Taiwan	TWSE	8,467.70	- 43.17	- 0.51	
Thailand	SET Index	1,311.87	- 2.19	- 0.17	

Local Bond Market

Peso Interest Rates (PDEX PDST-R2)									
	13-Feb-14	12-Feb-14	Difference			13-Feb-14	12-Feb-14	Difference	
1 month	1.5000	1.6000	-	0.100	4 year	3.5000	3.1081	+	0.392
3 month	1.0000	1.0000	-	0.000	5 year	3.7500	3.7500	-	0.000
6 month	1.2500	1.6500	-	0.400	7 year	4.1085	4.0000	+	0.109
1 year	1.7500	1.8500	-	0.100	10 year	4.0500	4.2722	-	0.222
2 year	2.3123	2.2766	+	0.036	20 year	4.9517	4.9597	-	0.008
3 year	2.7565	2.7139	+	0.043	25 year	5.8870	5.7802	+	0.107

Upcoming Economic Releases

Date	Philippines	Period Covered	Date	US	Period Covered
2/17/2014	Philippines Overseas Filipino Workers Remittances YoY	Dec	2/14/2014	US Industrial Production MoM 2007=100 SA	Jan
2/17/2014	Philippines Overseas Filipino Workers Remittances	Dec	2/14/2014	University of Michigan Survey of Consumer Confidence Sentiment	Feb P
2/19/2014	Philippines BOP	Jan	2/18/2014	US Empire State Manufacturing Survey General Business Conditions SA	Feb
			2/19/2014	Mortgage Bankers Association US Mortgage Market Indx Weekly % Change SA Old Meth	Feb 14
			2/19/2014	US New Privately Owned Housing Units Started by Structure Total SAAR	Jan
			2/19/2014	US PPI By Processing Stage Finished Goods Total MoM SA	Jan
			2/20/2014	US Initial Jobless Claims SA	Feb 8
			2/20/2014	US CPI Urban Consumers MoM SA	Jan
			2/20/2014	Conference Board US Leading Index MoM	Jan
			2/21/2014	US Existing Homes Sales SAAR	Jan

Sources: BPI, Business World, PDI, Phil Star, Manila Bulletin, Reuters, Briefing, Bloomberg, CNN, Dow Jones