

Local

- The local equities market climbed yesterday following China's strong credit data which relieved investor concerns that Asia's largest economy was losing momentum. The PSEi increased by 54.16 points, or +0.89%, to close at 6,167.82. All indices surged forward with mining and oil (+1.85%), industrials (+1.55%), and services (+1.18%) leading today's charge. Market breadth was positive with 97 advances outnumbering 54 declines, while 46 issues were unchanged. Total value turnover amounted to Php6.59 billion. Foreign investors were net buyers at Php0.20 billion.
- Globe Telecom, Inc. is planning to spend roughly US\$650 million for 2014. According to Globe President and Chief Executive Officer Ernest Cu, the company will be devoting a large chunk of its capital expenditure for the year and expand its already modernized data network in anticipation of strong consumer demand for bandwidth-intensive data applications.
- Ayala Land Inc. (ALI) reported that its profit reached Php11.75 billion in 2013 or 30% higher than the Php9.04 billion in 2012, breaching its Php10 billion income target. According to ALI President and CEO Antonino Aquino, the strong growth from the company's business lines displayed good execution of the growth strategy with the increased delivery of new products in new geographies. He added that market acceptance of the products was enhanced by their presence in their integrated mixed-use communities across the country and the strong ALI brand. Moreover, consolidated revenues rose by 36% to Php81.52 billion, propelled by revenues from real estate that increased by 40% basically from the strong performance across the property development, commercial leasing and services business lines.
- Prices of local government securities rose yesterday as bargain hunters arose following last week's rise in yields. Investors were also positioning ahead of the FXTN 5-72 auction tomorrow. Yields declined by an average of 1.42 basis points led by the long-end of the curve, which fell by 14.3 basis points. Meanwhile, the belly of the curve rose by 5.2 basis points.
- The Philippine peso strengthened against the greenback following strong remittances data. For the month of December, Overseas Filipino Workers (OFWs) remitted a record amount of US\$2.2 billion. For full-year 2013, cash remittances amounted to US\$22.8 billion, 6.4% higher year-on-year, exceeding the central bank's forecast of 5%. The local currency appreciated by 30.5 centavos to close at 44.430.

US and Europe

- US equities and Treasury markets were closed for the President's Day holiday.
- European shares climbed, carrying over from last week's rally as market players warmly received improved Chinese lending data and strong corporate earnings results. Fears on emerging markets were also beginning to wind down. The FTSEurofirst300 index added 4.76 points to 1,337.06.
- The euro strengthened against the greenback amid quiet trading as investors focused on the upcoming meeting of European finance ministers. The shared currency added 0.14 cents to EUR/USD1.3707.

Asia Pacific

- Asian markets rallied Monday on news that Chinese financial institutions issued 1.32 trillion yuan (US\$217.5 Bn) of new loans in January. Although the jump in credit was typical in the beginning of the year, investors believed it was a sign of economic strength. In Japan, a weakening yen overshadowed a weaker-than-expected GDP print, recouping intraday losses. Japan's GDP expanded 1.0% in the final quarter of 2013, significantly lower than the 2.8% increase expected by economists. Thailand's SET Index (+1.56%), Hong Kong's Hang Seng Index (+1.07%), and Indonesia's Jakarta Composite Index (+1.05%) posted the biggest gains among peers. The MSCI All Country Asia Pacific Index advanced 0.93 points, or +0.69%, to 136.28.
- A report released yesterday showed that aggregate financing, the broadest measure of credit in China, rose to a record 2.58 trillion yuan (US\$425 billion) in January. New local-currency loans were also at a multi-year high of 1.32 trillion yuan. Meanwhile, trust loans fell to about half of last year's level as these underwent scrutiny due to default risks.

Key Indicators

EQUITIES BENCHMARK INDICES	17-Feb-14	DoD change	WoW change	MoM change	Ytd change
Philippine Stock Exchange Index	6,167.82	0.89%	2.08%	3.02%	4.72%
MSCI World USD Index	1,653.55	0.21%	2.27%	-0.23%	-0.04%
MSCI All Country Asia Pacific ex-Japan Total Returns	371.17	0.83%	3.40%	0.49%	-1.01%
MSCI Europe USD Index	1,779.79	0.48%	3.24%	0.56%	1.35%
FTSEurofirst 300 Index	1,337.06	0.36%	2.76%	-0.59%	1.73%
Dow Jones Industrial Average Index	16,154.39	0.00%	2.23%	-1.85%	-1.97%
Standard & Poor's 500 Index	1,838.63	0.00%	2.16%	-0.00%	-0.15%
YIELDS AND PRICES	17-Feb-14	DoD change	WoW change	MoM change	Ytd change
91-Day Philippine Treasury Bill Yield (PDST-F)	1.1796	-0.01%	-0.03%	0.18%	0.69%
1-Year Philippine Treasury Bill Yield (PDST-F)	1.9479	-0.01%	-0.25%	-0.09%	1.01%
ROP2021 (Price)	103.917	0.22	0.35	(0.14)	0.29
ROP2034 (Price)	120.583	0.27	0.78	1.17	1.03
3-Month US Treasury Yield	0.0101	0.00%	-0.05%	-0.02%	-0.05%
2-year US Treasury Yield	0.3107	0.00%	0.00%	-0.06%	-0.08%
10-year US Treasury Yield	2.7428	0.00%	0.08%	-0.08%	-0.26%
30-year US Treasury Yield	3.6969	0.00%	0.05%	-0.05%	-0.24%
3-Month German Treasury Bill Yield	0.054	0.00%	-0.02%	-0.00%	-0.01%
Brent Crude Oil Spot (\$/bbl)	109.36	0.00%	0.00%	0.00%	0.00%
Dubai Crude Oil Spot (\$/bbl)	106.17	0.71%	1.37%	3.25%	-2.32%
1-month Nymex oil futures (\$/bbl)	100.30	0.00%	0.24%	6.28%	-0.02%
Gold Spot (\$/oz)	1,328.79	0.77%	4.24%	5.96%	9.51%
USD/PHP (PDEX close)	44.430	(0.31)	(0.55)	(0.57)	0.03

Source: Bloomberg

Asian Equity Markets

Asia Pacific Markets					
Last Trade as of		February 17, 2013			
Country	Index	Value	DoD Change	% Change	
Asia Pacific	MSCI AC Asia Pac Index	136.28	+ 0.93	+ 0.69	
Australia	S&P/ASX 200 Index	5,382.89	+ 26.64	+ 0.50	
China	Shanghai SE Comp Index	2,135.42	+ 19.57	+ 0.92	
Hong Kong	Hang Seng Index	22,535.94	+ 237.53	+ 1.07	
India	SENSEX	20,464.06	+ 97.24	+ 0.48	
Indonesia	Jakarta Composite Index	4,555.37	+ 47.32	+ 1.05	
Japan	Nikkei 225	14,393.11	+ 80.08	+ 0.56	
Malaysia	KLCI	1,827.48	+ 8.11	+ 0.45	
New Zealand	NZX 50 Index	4,894.99	+ 6.59	+ 0.13	
Singapore	Straits Times Index	3,069.28	+ 30.57	+ 1.01	
South Korea	KOSPI	1,946.36	+ 6.08	+ 0.31	
Taiwan	TWSE	8,519.55	+ 5.87	+ 0.07	
Thailand	SET Index	1,332.37	+ 20.50	+ 1.56	

Local Bond Market

Peso Interest Rates (PDEX PDST-R2)							
	17-Feb-14	14-Feb-14	Difference		17-Feb-14	14-Feb-14	Difference
1 month	1.5000	1.5000	0.000	4 year	3.2018	3.2031	- 0.001
3 month	1.0000	1.0000	0.000	5 year	3.8500	3.7000	+ 0.150
6 month	1.5000	1.5000	0.000	7 year	4.0000	4.0000	0.000
1 year	1.7500	1.7500	0.000	10 year	4.0500	4.0500	0.000
2 year	2.2564	2.1151	+ 0.141	20 year	4.9538	5.3500	- 0.396
3 year	2.6034	2.6347	- 0.031	25 year	5.7926	5.8258	- 0.033

Upcoming Economic Releases

Date	Philippines	Period Covered	Date	US	Period Covered
2/19/2014	Philippines BOP	Jan	2/19/2014	Mortgage Bankers Association US Mortgage Market Indx Weekly % Change SA Old Meth	Feb 14
2/25/2014	Philippines External Balance of Trade	Dec	2/19/2014	US New Privately Owned Housing Units Started by Structure Total SAAR	Jan
2/25/2014	Philippines External Trade Imports YoY	Dec	2/20/2014	US Initial Jobless Claims SA	Feb 15
2/25/2014	Philippines External Trade Imports	Dec	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
			2/25/2014	Conference Board Consumer Confidence SA 1985=100	Feb
			2/27/2014	US Durable Goods New Orders Industries MoM SA	Jan
			2/28/2014	GDP US Chained 2009 Dollars QoQ SAAR	4Q S
			2/28/2014	University of Michigan Survey of Consumer Confidence Sentiment	Feb F

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