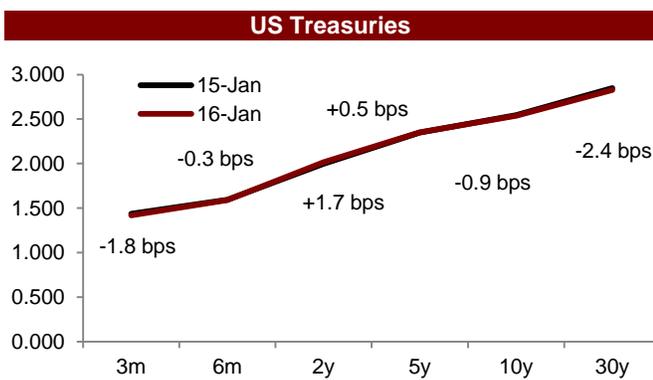
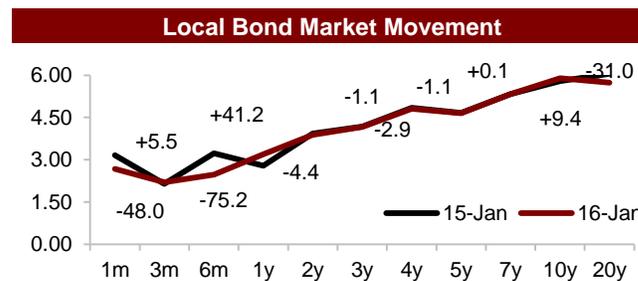
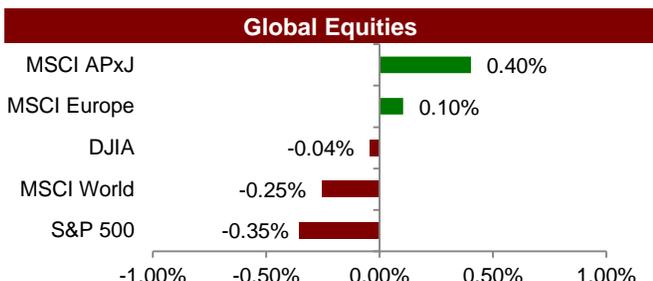
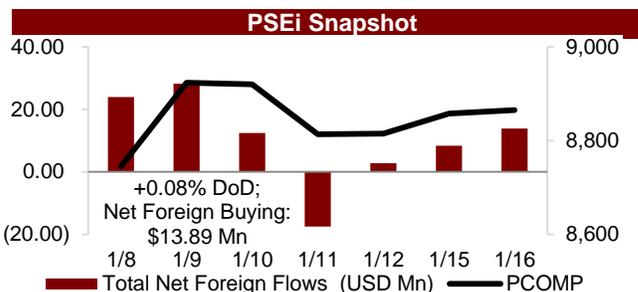


Asian equities rose on optimism over the regional economy, whereas upbeat earnings releases supported European equities. Meanwhile, US equities and the Dollar fell amid the dip in commodity prices and fears of a government shutdown, while Treasury yields fell on speculation over the ECB's monetary policy.

- ✓ **Local equities** rose to an intra-day high just 30pts shy of 9,000, driven by large caps JFC and MER, which spiked to new 52-week highs. However, profit-taking came about right before market close, causing the index to end at its intra-day low of 8,865.13 (+0.08% DoD).
- ✓ **Local fixed income yields** continued to fall as the BTR awarded all the three short-term tenors yesterday amounting to P20bn. On average, the curve slid 9.78bps, led by the short end declining 19.14 bps, while the long and the belly fell by 7.20 bps and 1.90 bps, respectively.

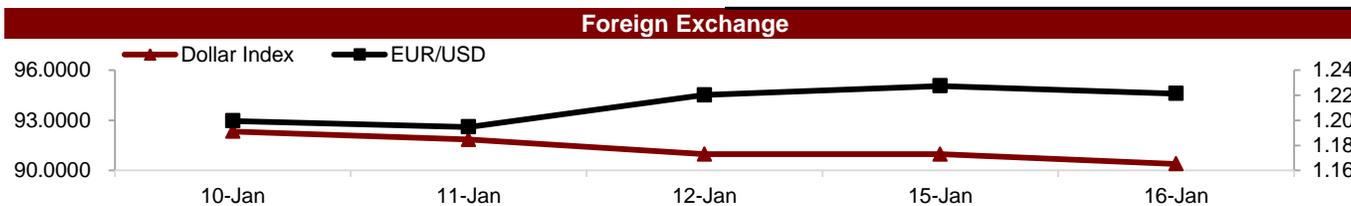


- ✓ **US equities** retreated as investors weighed in the dip in commodity prices more than the healthy corporate earnings releases. The DJIA closed at 25,792.86 (-0.04% DoD) while the S&P 500 ended at 2,776.42 (-0.35% DoD).
- ✓ **European stocks** ended higher driven by the solid performance of the German auto sector, as well as upbeat corporate earnings releases. The temporary weakness in the Euro also helped lift exporters' stocks. The MSCI Europe closed at 134.52 (+0.10% DoD).
- ✓ **Asian stocks** continue to rise, led by the Hang Seng (HK) Index, as lingering worries over the strength of China's economy dissipate. The MSCI APxJ closed at 594.24 (+0.40% DoD).
- ✓ **US Treasury yields** slightly declined after news reports citing ECB sources suggested an unlikely occurrence that the central bank will cut back on bond purchases at its next meeting. Yields fell 0.53 bps on average, with the 10-yr falling 0.91 bps to 2.5371%.

- ✓ The **Philippine peso** weakened against the dollar as bargain-hunting persistent following strong dollar weakness couple of weeks prior. The USDPHP pair closed at 50.49, an effective 0.24% day-on-day decline of the peso against the greenback.
- ✓ The **US Dollar** weakened amid fears of a government shutdown as funding is set to expire on Friday. However, GOP leaders have proposed a new bill to extend funding through Feb 16 to mitigate the risk. The DXY ended at 90.393 (-0.64% DoD).

Foreign Exchange

PHP/USD	Previous Close	50.370
	Close	50.490
EUR/USD	Previous Close	1.2274
	Indicative Rate	1.2234



Key Indicators

YIELDS AND PRICES	16-Jan-18	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.21	0.06%	-0.94%	-0.91%	-0.46%
1-Year Philippine Treasury Bill Yield (PDST-R2)	3.20	0.41%	0.34%	0.18%	0.83%
ROP2021 (Price)	104.57	0.16	(0.17)	(0.36)	(3.79)
ROP2034 (Price)	134.64	(0.05)	(0.47)	0.86	4.17
3-Month US Treasury Yield	1.42	-0.02%	-0.01%	0.11%	1.26%
3-Month German Treasury Bill Yield	(0.64)	0.00%	-0.01%	0.23%	-0.12%
Dubai Crude Oil Spot (\$/bbl)	66.84	0.24%	2.58%	9.52%	108.03%
Gold Spot (\$/oz)	1,338.43	-0.12%	1.95%	6.61%	26.10%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
1/19/2018	BoP Overall	Dec	-\$44m
1/23/2018	GDP YoY	4Q	6.9%

Developed Markets

Date	Country	Event	Period	Prior
11/17/2018	EU	CPI YoY	Dec	0.9%
11/17/2018	US	Industrial Production MoM	Dec	0.2%
1/18/2018	Japan	Industrial Production MoM	Nov	0.6%

Emerging Markets

Date	Country	Event	Period	Prior
1/18/2018	China	GDP YoY	4Q	6.8%
1/19/2018	Thailand	Foreign Reserves	12-Jan	\$204bn
1/24/2018	Malaysia	CPI YoY	Dec	3.4%

Sources: BPI, Reuters, Bloomberg, PSE, CNN, MarketWatch, The Wall Street Journal, CNBC, Business World

www.bpiassetmanagement.com



This material, which is strictly for information purposes only, is for your sole use, does not constitute a recommendation or an offer to sell or a solicitation to buy any financial product. Any information is subject to change without notice and BPI AMTC is not under any obligation to update or keep current the information contained herein. You are advised to make your own independent judgment with respect to the matter contained in this document. No liability whatsoever is accepted for any loss that may arise (whether direct or consequential) from any use of the information contained herein.

All funds managed by BPI Asset Management & Trust Corp. and affiliates are Trust and/or Investment Management Funds, which do not carry any guarantee of income or principal, and are NOT covered by the Philippine Deposit Insurance Corporation. Past performance is not a guarantee of future results. BPI AMTC Investment Funds are valued daily using the marked-to-market method.