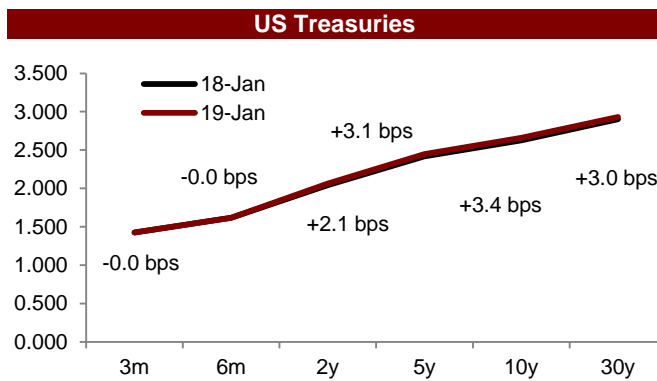
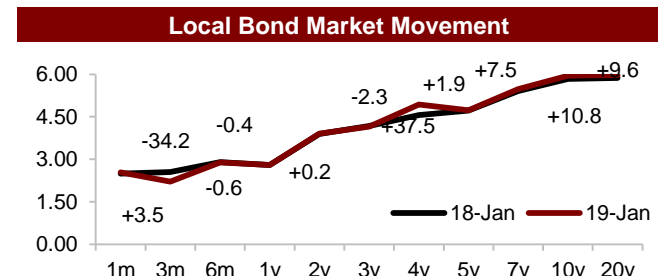
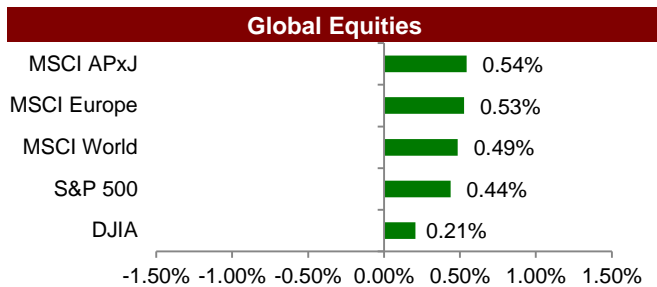
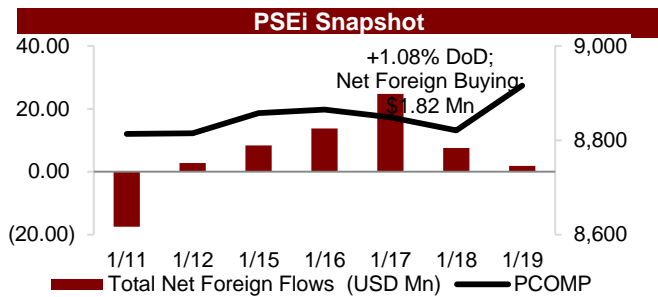


Global equities rallied over optimism on corporate earnings releases, while both the US Dollar and US Treasury yields rose as investors set aside concerns on a possible government shutdown.

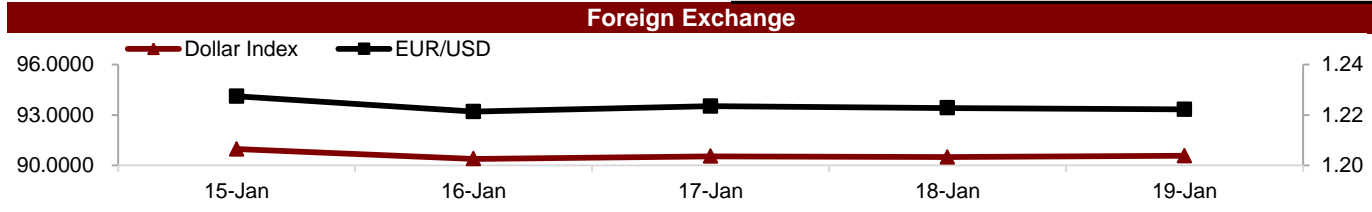
- ✓ **Local equities** rallied despite worries of multiple fund raising activities and its effect on the liquidity of the market. The strong run-up was led by BPI as investors revisit the implications of the recently announced stock rights offering on expected earnings growth. The PSEI rose to 8,915.92 (+1.08% DoD).
- ✓ **Local fixed income yields** marginally went up on \$2bn 10-year global bonds sold today, with proceeds to be used for President Duterte's infrastructure program. On average, the curve rose 3.04 bps, led by the long end which advanced 6.78 bps.



- ✓ **US equities** rose as investors remained optimistic on company earnings instead of the looming government shutdown risk, as politicians failed to reach a deal on public funding. The S&P 500 closed at 2,810.30 (+0.44% DoD) while the DJIA ended at 26,071.72 (+0.21% DoD).
- ✓ **European stocks** climbed amid growing optimism in corporate earnings and the strength of the underlying economy, leading investors to shrug off concerns of a US government shutdown. All but the energy sector closed in the green, as energy stocks were under pressure due to the pullback in crude oil prices. The MSCI Europe closed at 135.35 (+0.53% DoD).
- ✓ **Asian stocks** rose on continued optimism over China's economy and robust corporate earnings. The MSCI Asia ex Japan ended at 598.76 (+0.54% DoD).
- ✓ **US Treasury yields** rose over momentary concerns on a US government shutdown, as the current political impasse is expected to be resolved immediately. Yields rose 1.92 bps on average, with the 10-yr up by 3.36 bps to close at 2.6592%.

- ✓ The **Philippine peso** ended marginally flat, as BSP Deputy Governor Guinigundo still sees stability in the Philippine Peso amid the current flexible foreign exchange rate regime. The USD/PHP pair ended at 50.720 (-0.16% DoD).
- ✓ The **US Dollar** was up as market players had difficulty in pricing-in US government officials' failure to reach an agreement over a last-minute stopgap funding bill for government operations. The DXY ended at 90.572 (+0.08% DoD).

Pair	Previous Close	Close
PHP/USD	50.800	50.720
EUR/USD	1.2228	1.2272



Key Indicators

YIELDS AND PRICES	19-Jan-18	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.21	-0.34%	-0.07%	-0.21%	-0.46%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.80	-0.00%	-0.35%	-0.42%	0.43%
ROP2021 (Price)	104.38	(0.21)	(0.23)	(0.62)	(3.98)
ROP2034 (Price)	134.34	(0.44)	(0.16)	0.47	3.88
3-Month US Treasury Yield	1.43	-0.00%	-0.01%	0.06%	1.26%
3-Month German Treasury Bill Yield	(0.67)	0.00%	-0.01%	0.18%	-0.16%
Dubai Crude Oil Spot (\$/bbl)	65.80	-0.77%	-0.74%	7.80%	104.79%
Gold Spot (\$/oz)	1,331.85	0.36%	-0.46%	5.56%	25.48%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
1/23/2018	GDP YoY	4Q	6.9%
1/29/2018	Budget Balance	Dec	-8.6Bn

Developed Markets

Date	Country	Event	Period	Prior
1/23/2018	EU	Consumer Confidence	Jan	0.5
1/24/2018	US	MBA Mortgage Applications	19-Jan	4.1%
1/23/2018	Japan	All Industry Activity Index MoM SA	Nov	0.3%

Emerging Markets

Date	Country	Event	Period	Prior
1/31/2018	China	Manufacturing PMI	Jan	51.6
1/22/2018	Thailand	Customs Exports YoY	Dec	13.4%
1/24/2018	Malaysia	CPI YoY	Dec	3.4%

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

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