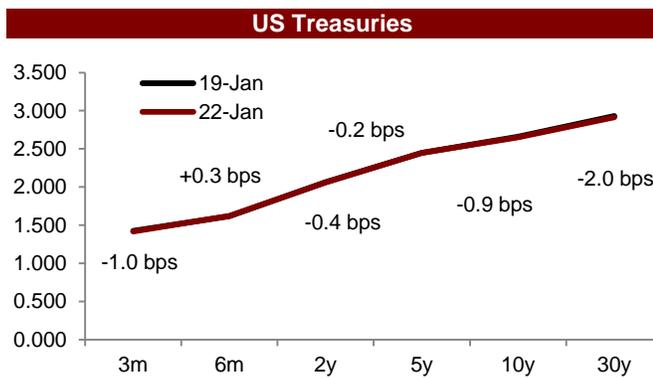
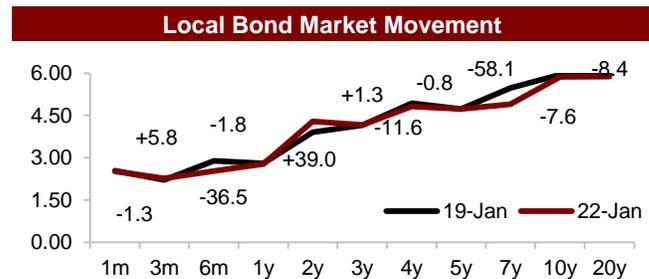
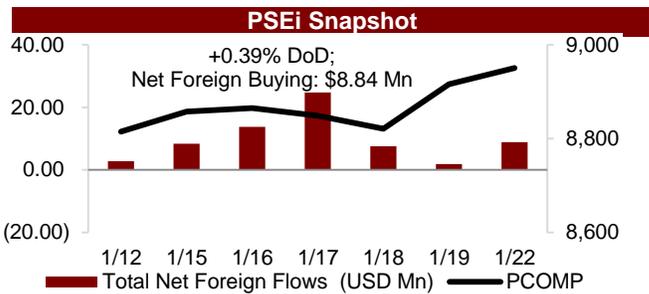


Global equities rallied on developments in the passage of the short-term US government funding bill and coalition talks in Germany. Meanwhile, US Treasuries rallied ahead of the BOJ and ECB meetings and bond auctions to be held this week. Lastly, the US Dollar fell as investors look to the ECB members' economic outlook on their Thursday meeting.

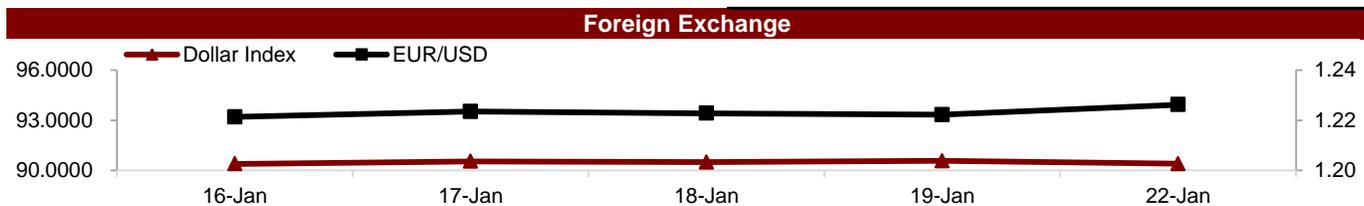
- ✓ **Local equities** advanced as investors positioned ahead of the GDP print release tomorrow. Ernesto Pernia confidently stated that the country will meet the 6.5%-7.5% 2017 growth target which was largely driven by household consumption, government spending, manufacturing and service sectors. The PSEi closed at 8,950.62 (+0.39% DoD).
- ✓ **Local fixed income yields** broadly fell, led by the long-end of the curve, as the markets look ahead to the new issuance of the 3-year FXTN this week. On average, yields went down by 7.27 bps, with the 10-year down 7.6 bps to 5.8686.



- ✓ The **Philippine peso** weakened against the greenback despite growth acceleration estimate at 7.4% QoQ from 5.2% last quarter on the back of strong net exports and public spending. The USD/PHP pair closed at 50.835 (-0.23% DoD).
- ✓ The **US dollar** fell, with the euro flirting at 3 year highs as investors anticipate affirmation of the economy's strength from ECB officials on their meeting on Thursday. The DXY ended at 90.401 (-0.19% DoD).

- ✓ **US equities** climbed as the Senate broke its deadlock on the short-term government funding bill and as investors turned their attention toward better-than-expected corporate earnings releases. The DJIA closed at 26,214.60 (+0.55% DoD) while the S&P 500 ended at 2,832.97 (+0.81% DoD).
- ✓ **European stocks** rose as Chancellor Angela Merkel is another step closer to forming a coalition, after the Social Democrats voted in favor of entering formal talks with the latter's camp last Sunday. The MSCI Europe closed at 135.35 (+0.53% DoD).
- ✓ **Asian stocks** continued to advance on spilled over optimism from the US as lawmakers struck a deal on a stopgap funding deal that ended the three-day government shutdown. The MSCI Asia ex Japan ended at 600.43 (+0.28% DoD).
- ✓ **US Treasury yields** marginally fell as another auction cycle for the 2Y, 5Y and 7Y starts this week and as investors positioned ahead of the BoJ and ECB decisions this week. Yields declined 0.71 bps on average, with the 10-yr down 0.92 bps to end at 2.65%.

Pair	Previous Close	Current Rate
PHP/USD	50.720	50.835
EUR/USD	1.2222	1.2246



Key Indicators

YIELDS AND PRICES	22-Jan-18	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.27	0.06%	0.11%	-0.91%	-0.40%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.78	-0.02%	-0.01%	-0.30%	0.41%
ROP2021 (Price)	104.26	(0.12)	(0.16)	(0.79)	(4.11)
ROP2034 (Price)	133.90	(0.44)	(0.78)	0.32	3.43
3-Month US Treasury Yield	1.42	-0.01%	-0.02%	0.09%	1.25%
3-Month German Treasury Bill Yield	(0.68)	-0.00%	-0.04%	0.22%	-0.16%
Dubai Crude Oil Spot (\$/bbl)	65.78	-0.03%	-1.35%	5.74%	104.73%
Gold Spot (\$/oz)	1,333.62	0.13%	-0.48%	4.58%	25.64%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
1/29/2018	Budget Balance	Dec	-8.6Bn
2/6/2018	CPI YoY	Jan	3.3%

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
1/26/2018	Thailand	Foreign Reserves	19-Jan	\$206.2 Bn
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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