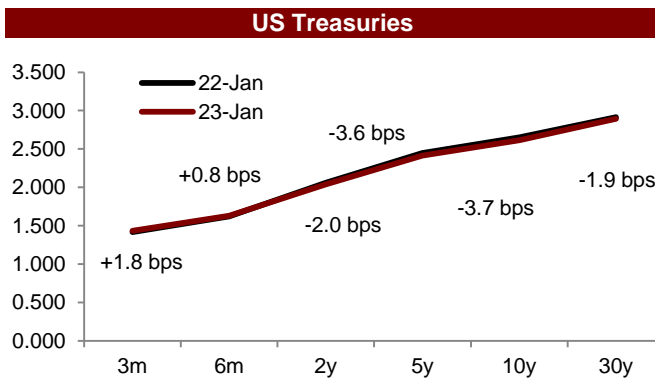
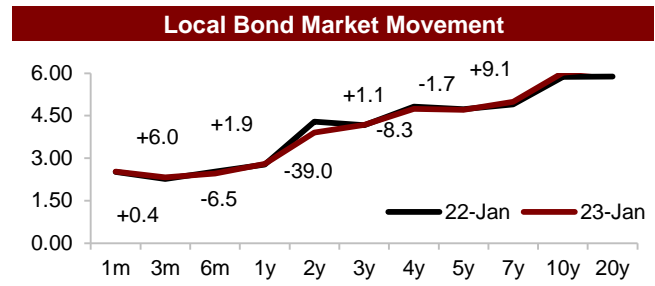
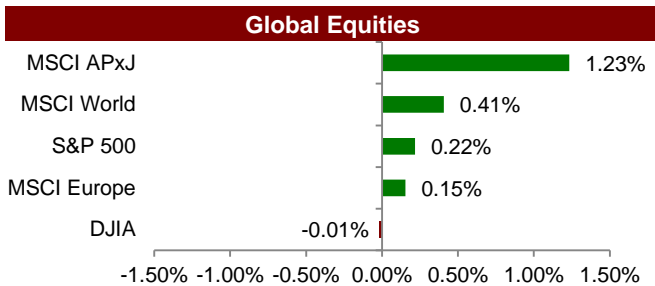
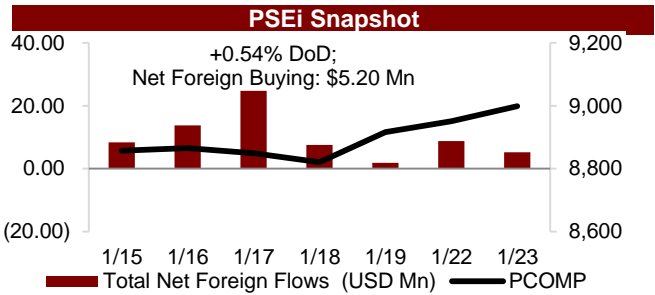


**Global equities extended their rallies amid upbeat US corporate earnings and the IMF's upward revision of its global growth outlook. US Treasury yields declined amid strong demand for the 2-year auction. Lastly, the US Dollar weakened amid concerns over Trump's stance on global trade.**

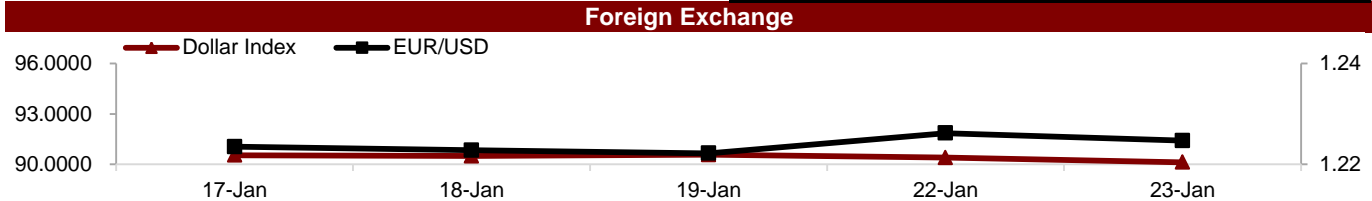
- ✓ **Local equities** ended on a new record high despite falling temporarily following the release of disappointing Philippine GDP print as investors turned their attention on the prospect of accelerated economic growth in 2018. The PSEi closed at 8,999.02 (+0.54% DoD).
- ✓ **Local fixed income yields** ended flat with a slight upward bias following the conclusion of the BoJ meeting, wherein the central bank kept rates steady as expected. Moreover, key officials were slightly more upbeat on inflation. On average, yields went up by 0.59 bps, with the 10-year up 14.68 bps to 6.0154%.



- ✓ **US equities** ended mixed despite upbeat earnings from US corporates and relief from the averted crisis of a US shutdown. The DJIA was flat at 26,210.81 (-0.01% DoD) while the S&P 500 closed at 2,839.13 (+0.22% DoD).
- ✓ **Europe stocks** rose amid positive sentiment brought about by the IMF's revision of its outlook for global growth, which was partly driven by upside surprises in the European economy. The MSCI Europe closed at 135.99 (+0.15% DoD).
- ✓ **Asia stocks** rallied buoyed by optimism in the region following the revision of the International Monetary Fund's 2019 economic forecast for developing countries in Asia from 6.5% to 6.6%. The MSCI Asia ex-Japan rose to 607.84 (+1.23% DoD).
- ✓ **US Treasury yields** fell after the BoJ signaled that it will keep its quantitative easing program. In addition, the latest 2Y auction heightened takeup for the 5Y and 7Y tenors. Yields declined 1.42 bps on average, with the 10-yr down 3.69 bps to end at 2.613%.

- ✓ The **Philippine peso** weakened as a softer-than-expected GDP print missed investors' expectations, coming out at 6.6% (cons.: 6.7%) for 4Q17 versus a revised 7.0% in 3Q17. The USD/PHP pair closed at 51.100 (-0.52% DoD).
- ✓ The **US Dollar** extended its weakness and hit a three-year low as concerns started brewing over Trump's stance on global trade, following the imposition of tariffs on US imports of certain goods from China. The DXY Inded declined to 90.124 (-0.31% DoD).

| Pair    | Previous Close | Current |
|---------|----------------|---------|
| PHP/USD | 50.835         | 51.100  |
| EUR/USD | 1.2262         | 1.2239  |



## Key Indicators

| YIELDS AND PRICES                               | 23-Jan-18 | DoD    | WoW    | MoM    | YTD     |
|---|-----------|--------|--------|--------|---------|
| 91-Day Philippine Treasury Bill Yield (PDST-R2) | 2.33      | 0.06%  | 0.12%  | -0.85% | -0.34%  |
| 1-Year Philippine Treasury Bill Yield (PDST-R2) | 2.80      | 0.02%  | -0.40% | -0.28% | 0.43%   |
| ROP2021 (Price)                                 | 104.09    | (0.17) | (0.49) | (0.96) | (4.27)  |
| ROP2034 (Price)                                 | 133.86    | 0.02   | (0.78) | 0.29   | 3.40    |
| 3-Month US Treasury Yield                       | 1.43      | 0.02%  | 0.02%  | 0.11%  | 1.27%   |
| 3-Month German Treasury Bill Yield              | (0.67)    | 0.01%  | -0.03% | 0.23%  | -0.15%  |
| Dubai Crude Oil Spot (\$/bbl)                   | 66.56     | 1.19%  | -0.42% | 6.99%  | 107.16% |
| Gold Spot (\$/oz)                               | 1,341.18  | 0.57%  | 0.21%  | 5.17%  | 26.36%  |

## 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 |
|-----------|---------|---------------------------|--------|-------|
| 1/26/2018 | EU      | M3 Money Supply YoY       | Dec    | 4.9%  |
| 1/24/2018 | US      | MBA Mortgage Applications | 19-Jan | 4.1%  |
| 1/26/2018 | Japan   | National CPI YoY          | Dec    | 0.6%  |

### 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

[www.bpiassetmanagement.com](http://www.bpiassetmanagement.com)

