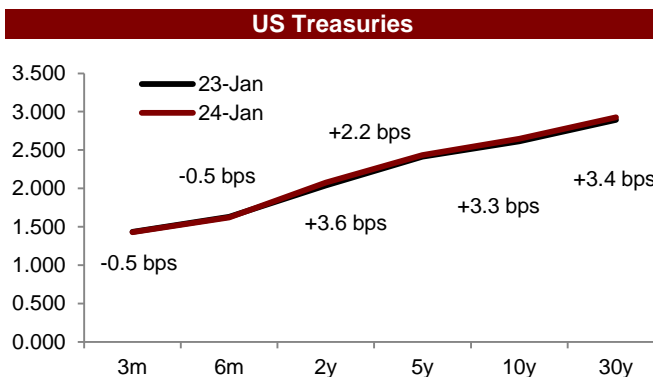
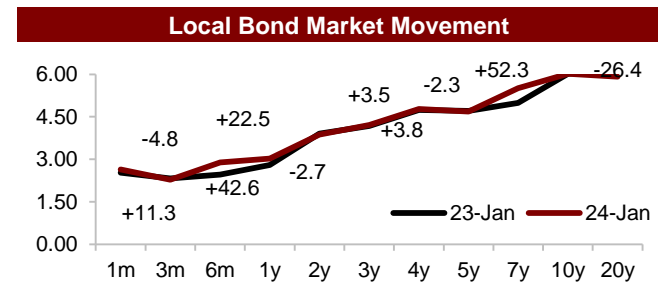
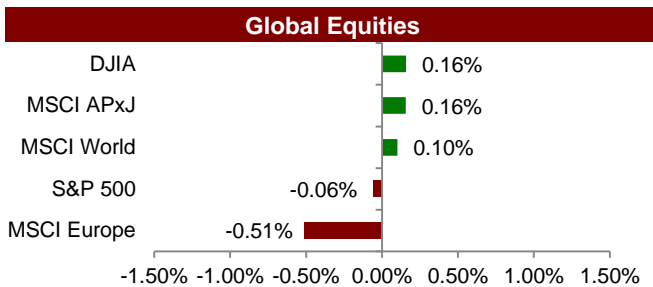
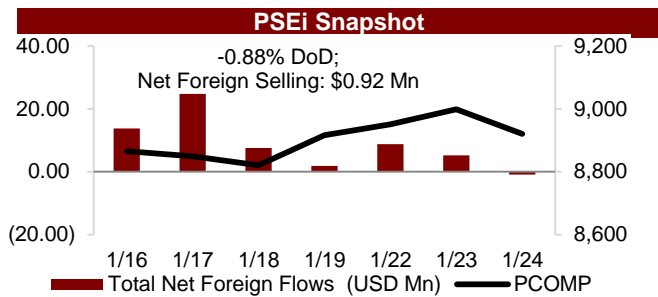


**Global equities ended relatively mixed on concerns over Trump's protectionist policies and weakness of the US Dollar. Similarly, these events also caused a rise in US Treasury yields.**

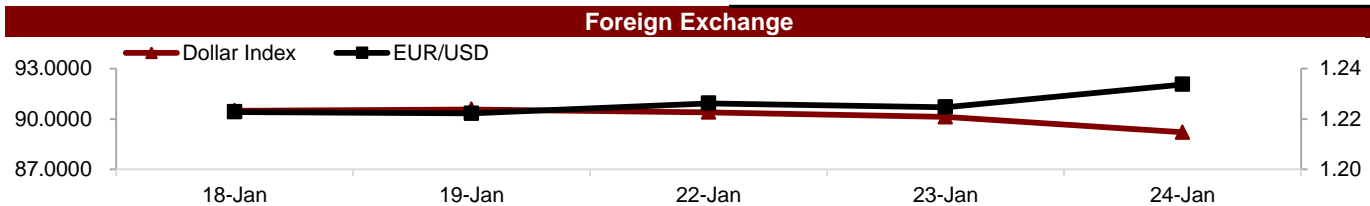
- ✓ **Local equities** were on a downward trend during today's session as yesterday's close 1pt below 9,000 prompted profit-taking. LTG had the biggest drop following details of 4Q GDP showed weak figures for alcoholic beverages and tobacco. The PSEi closed at 8,920.23 (-0.88% DoD).
- ✓ **Local fixed income yields** ended higher on thin trading volumes for the day despite robust demand for the BSP's 7-day term deposit facility. On average, yields went up by 9.07 bps, with the 10-year ending flat at 6.0154%.



- ✓ The **Philippine peso** marginally strengthened even as 2018 growth may slightly slow, following a softer-than-expected GDP print for 4Q17, as the Philippines remains to be one of the fastest growing countries in the region. The USD/PHP pair closed at 50.960 (+0.27% DoD).
- ✓ The **US Dollar** posted its steepest slide since March 2016 as investors digested Mnuchin's statement that a weaker currency is good for trade which fueled uncertainties on the government's stance on a more protectionist trade. The DXY ended at 89.206 (-1.02% DoD).

- ✓ **US equities** were flat as Commerce Secretary Wilbur Ross and Treasury Secretary Steven Mnuchin hinted a trade war against China, sparking concerns over Trump's protectionist policies. The DJIA rose to 26,252.12 (+0.16% DoD) while the S&P 500 closed at 2,837.54 (-0.06% DoD).
- ✓ **Europe stocks** pulled back as the continued weakness in the US dollar drove a rally in the Euro and British Pound, putting pressure on shares of European exporters. The MSCI Europe declined to 135.29 (-0.51% DoD).
- ✓ **Asia stocks** ended mixed on concerns over the probable strengthening of Asian countries' local currency versus the dollar and its adverse effect on export-dependent economies. The MSCI APxJ rose slightly to 608.78 (+0.16% DoD).
- ✓ **US Treasury yields** rose following US Treasury Secretary Mnuchin's comments on the weakening dollar, which cast a shadow of doubt on the timing of policy normalization. Yields were up 1.92bps on average, with the 10-yr rising by 3.34 bps to end at 2.6465%.

Pair	Previous Close	Close
PHP/USD	51.100	50.960
EUR/USD	1.2247	1.2323



## Key Indicators

YIELDS AND PRICES	24-Jan-18	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.28	-0.05%	0.07%	-0.90%	-0.39%
1-Year Philippine Treasury Bill Yield (PDST-R2)	3.02	0.22%	0.28%	-0.05%	0.65%
ROP2021 (Price)	104.10	0.01	(0.46)	(0.95)	(4.26)
ROP2034 (Price)	133.77	(0.10)	(0.96)	0.19	3.30
3-Month US Treasury Yield	1.43	-0.01%	-0.01%	0.11%	1.27%
3-Month German Treasury Bill Yield	(0.68)	-0.01%	-0.00%	0.22%	-0.16%
Dubai Crude Oil Spot (\$/bbl)	66.76	0.30%	1.06%	7.31%	107.78%
Gold Spot (\$/oz)	1,358.47	1.29%	2.36%	6.53%	27.99%

## 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
1/25/2018	US	Initial Jobless Claims	20-Jan	\$220k
1/26/2018	EU	M3 Money Supply YoY	Dec	4.9%
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
1/25/2018	Malaysia	BNM Overnight Policy Rate	25-Jan	3.0%

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

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