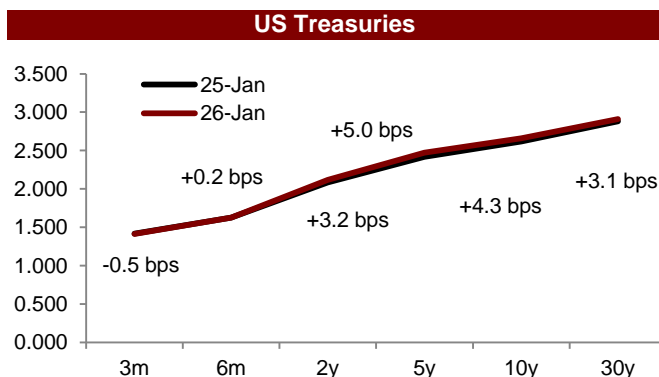
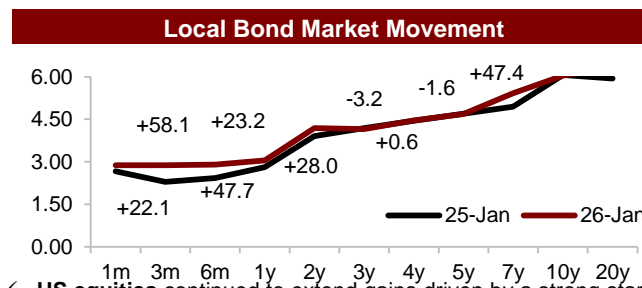
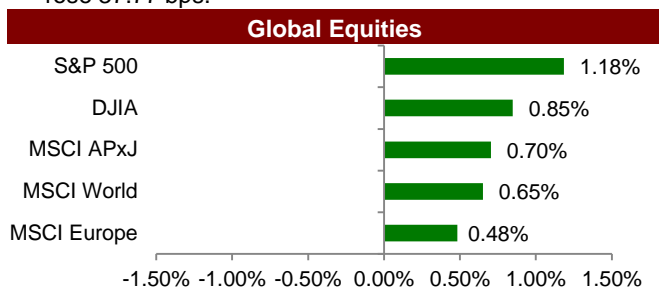
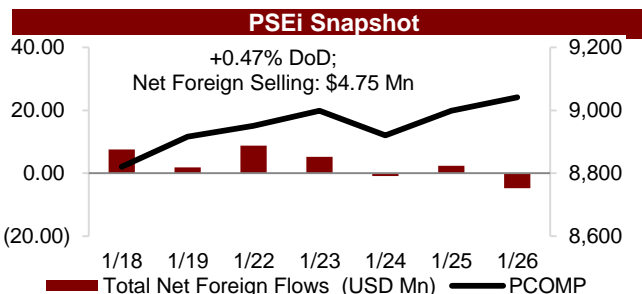


January 29, 2018

**Global equities rallied buoyed by a strong start to the earnings season, with most corporates reporting better-than-expected figures. Moreover, US Treasury yields rose despite GDP print missing expectations, while the US Dollar fell as bullish talks from President Trump wane.**

- ✓ **Local equities** breached the 9,000-level buoyed by optimism following the announcement that the government secured \$1.25bn investment pledges from Indian firms, as it suggests that our regional peers have a positive outlook on the Philippine economy. The PSEI closed 9,041.20 (+0.47% DoD).
- ✓ **Local fixed income yields** rose amid strong demand for the Bureau of Treasury's 3-year bond auction, which was 2.6x oversubscribed. Bids reached Php 39.11 billion, with the BoT accepting only Php 14.89 billion. On average, yields went up by 23.78 bps, led by the short-end which rose 37.77 bps.

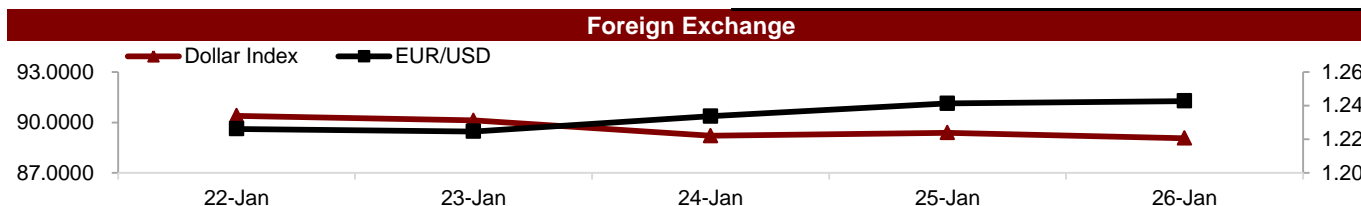


- ✓ **US equities** continued to extend gains driven by a strong start to earnings season - 80% of the S&P companies that have released results reported better-than-expected earnings, while 82% beat sales estimates. The DJIA closed at 26,616.71 (+0.85% DoD), while the S&P 500 rose to 2,872.87 (+1.18% DoD).
- ✓ **Europe stocks** rose on better-than-expected corporate earnings results with the advance led by French luxury makers Louis Vuitton and Christian Dior. The MSCI Europe closed at 135.19 (+0.48% DoD).
- ✓ **Asian stocks** rallied, mirroring US equities markets as focus shifted to upbeat corporate earnings and robust global economic growth. The MSCI Asia ex-Japan ended at 613.74 (+0.70 DoD).
- ✓ **US Treasury yields** extended their advance following a fit 2.6% growth in the US economy. Although missing estimates, analysts brushed it off as the GDP was still above the 2% average experienced during the recession. Yields were up 2.55 bps on average, with the 10-yr rising by 4.29 bps to end at 2.6599%.

- ✓ The **Philippine peso** weakened on President Trump's comment that he is in favor of seeing a stronger US Dollar. The USD/PHP pair closed at 50.840 (-0.06% DoD).
- ✓ The **US Dollar** corrected after bullish talks from President Trump of a "stronger and stronger" dollar started to wane. Also, more hawkish speak from ECB President Mario Draghi added to the dollar's weakness during the ECB meeting. The DXY closed at 89.067 (-0.36% DoD).

**Foreign Exchange**

PHP/USD	Previous Close	50.810
	Close	50.840
EUR/USD	Previous Close	1.2413
	Indicative Rate	1.2458



## Key Indicators

YIELDS AND PRICES	26-Jan-18	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.88	0.58%	0.67%	-0.30%	0.21%
1-Year Philippine Treasury Bill Yield (PDST-R2)	3.04	0.23%	0.25%	-0.03%	0.67%
ROP2021 (Price)	104.12	(0.00)	(0.26)	(0.83)	(4.24)
ROP2034 (Price)	133.75	(0.02)	(0.59)	0.11	3.28
3-Month US Treasury Yield	1.42	-0.00%	-0.01%	0.09%	1.25%
3-Month German Treasury Bill Yield	(0.67)	-0.03%	0.01%	0.23%	-0.15%
Dubai Crude Oil Spot (\$/bbl)	67.29	-0.50%	2.26%	7.56%	109.43%
Gold Spot (\$/oz)	1,353.83	0.43%	1.65%	5.52%	27.55%

## Upcoming Economic Releases

### Philippines

Date	Event	Period	Prior
2/6/2018	CPI YoY	Jan	3.3%
2/8/2018	BSP Overnight Borrowing Rate	Feb	3.0%

### Developed Markets

Date	Country	Event	Period	Prior
1/29/2018	US	Personal Income	Dec	0.3%
1/30/2018	EU	GSP SA YoY	4Q	2.6%
1/31/2018	Japan	Industrial Production YoY	Dec P	3.6%

### Emerging Markets

Date	Country	Event	Period	Prior
1/31/2018	China	Manufacturing PMI	Jan	51.6
1/31/2018	Thailand	BoP Current Account Balance	Dec	\$5,285 Mn
2/1/2018	Malaysia	Nikkei Indonesia PMI Mfg	Jan	49.3

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

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