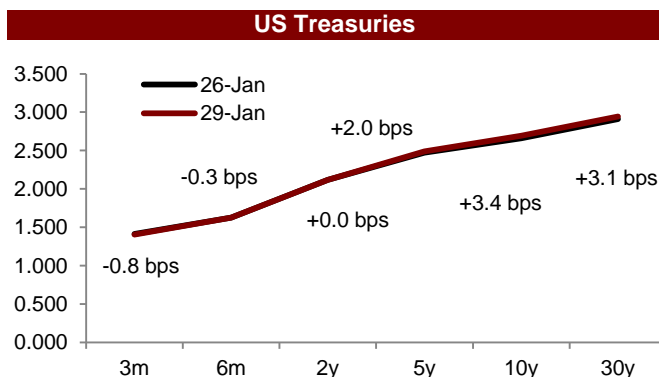
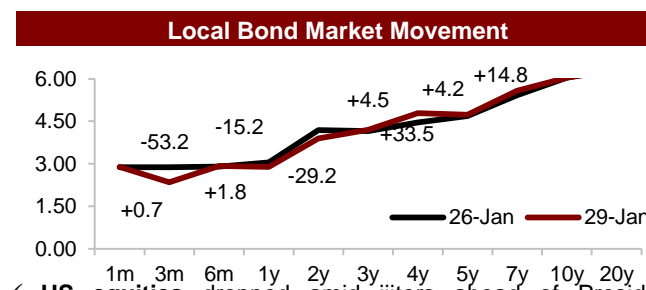
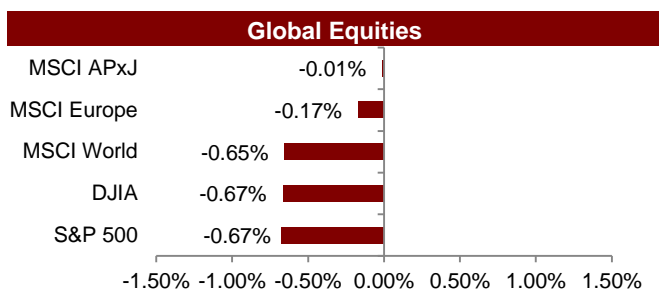
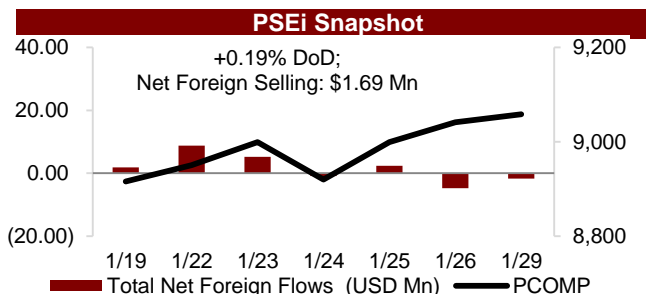


Global equities declined as markets await President Trump's State of the Nation address. Meanwhile, the US Dollar rebounded, propped by the surge in US Treasury yields ahead of the FOMC meeting this week.

- ✓ **Local equities** rose buoyed by a spike in foreign buying of the telco names, TEL and GLO, on favorable recommendations from equity analysts on the unlikelihood of a third player threat. The PSEi closed at 9,058.62 (+0.19% DoD).
- ✓ **Local fixed income yields** marginally fell on partial awarding for the three month, six month and one-year T-bill auction despite strong demand. Bids totaled Php 31.5 billion with all tenors oversubscribed. On average, yields fell 3.81 bps, led by the short-end which tumbled 16.48 bps.

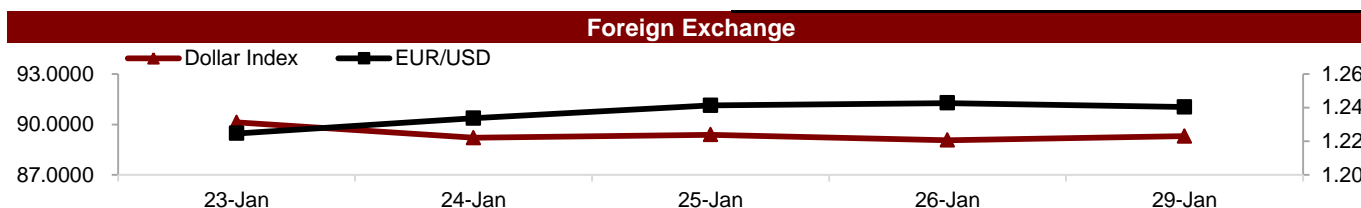


- ✓ **US equities** dropped amid jitters ahead of President Trump's State of the Nation Address (SONA) on Tuesday. The DJIA closed at 26,439.48 (-0.67% DoD), while the S&P 500 rose to 2,234.22 (-0.67% DoD).
- ✓ **Europe stocks** fell as import prices rose 3.8% YoY in Germany for 2017, its highest increase since 2011. The MSCI Europe closed at 134.96 (-0.17% DoD).
- ✓ **Asian stocks** ended flat with a slight downward bias following a decline in oil prices. The US oil rig count rose to 759, its highest level since August. The MSCI Asia ex-Japan ended at 613.67 (-0.01 DoD).
- ✓ **US Treasury yields** continued to rise with the 10-year advancing above the 2.7% level intraday as investors anticipate slightly more hawkish stances from the Federal Reserve meeting this week. Yields were up 1.24 bps on average, with the 10-yr rising by 3.37 bps to end at 2.694%.

- ✓ The **Philippine peso** continued to weaken against the greenback, owing to the minor rebound of the US Dollar against major currencies as markets look ahead to the release of US non-farm payrolls this week. The USD/PHP closed at 51.185 (-0.67% DoD).
- ✓ The **US Dollar** rebounded, aided by the increase in US Treasury yields as investors took the opportunity to bargain hunt after its sell off last week. The DXY closed at 89.308 (+0.27% DoD).

Foreign Exchange

PHP/USD	Previous Close	50.840
	Close	51.185
EUR/USD	Previous Close	1.2427
	Indicative Rate	1.2412



Key Indicators

YIELDS AND PRICES	29-Jan-18	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.34	-0.53%	0.08%	-0.09%	-0.32%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.89	-0.15%	0.11%	-0.14%	0.52%
ROP2021 (Price)	104.08	(0.04)	(0.17)	(0.81)	(4.28)
ROP2034 (Price)	133.19	(0.80)	(0.66)	(0.75)	2.72
3-Month US Treasury Yield	1.40	-0.01%	-0.01%	0.03%	1.24%
3-Month German Treasury Bill Yield	(0.65)	0.01%	0.03%	0.04%	-0.14%
Dubai Crude Oil Spot (\$/bbl)	67.32	-0.13%	2.34%	5.57%	109.52%
Gold Spot (\$/oz)	1,340.31	-0.70%	0.50%	2.86%	26.28%

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
1/31/2018	US	ADP Employment Change	Jan	250k
1/30/2018	EU	GSP SA YoY	4Q	2.6%
1/31/2018	Japan	Industrial Production YoY	Dec	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

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