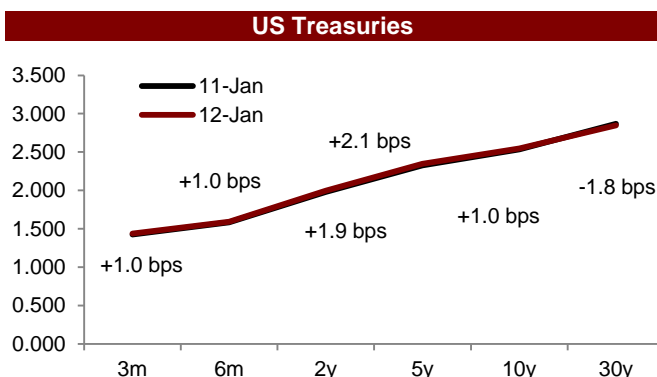
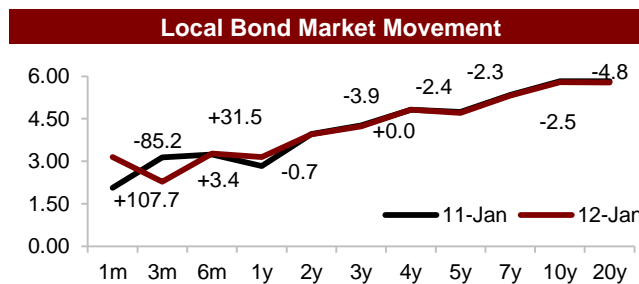
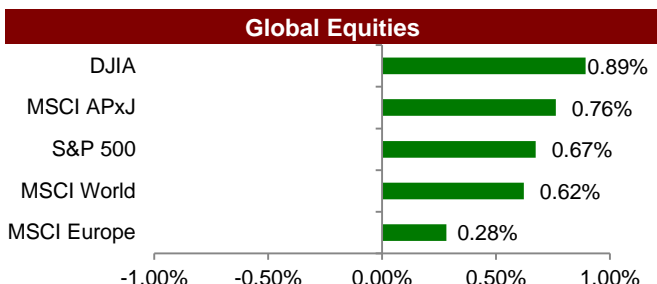
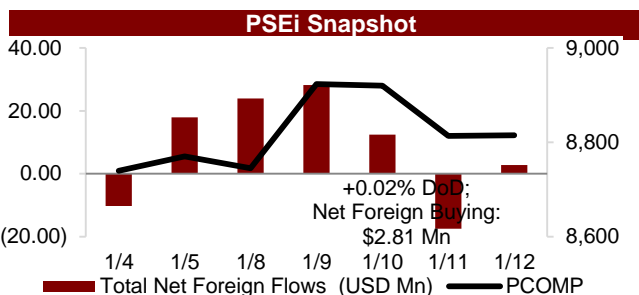


Global equities rose in light of anticipation of strong US corporate earnings and ongoing coalition negotiations in Germany. Meanwhile, the US dollar and US Treasuries fell on expectations of ECB and BoJ tightening in light of sound macroeconomic data.

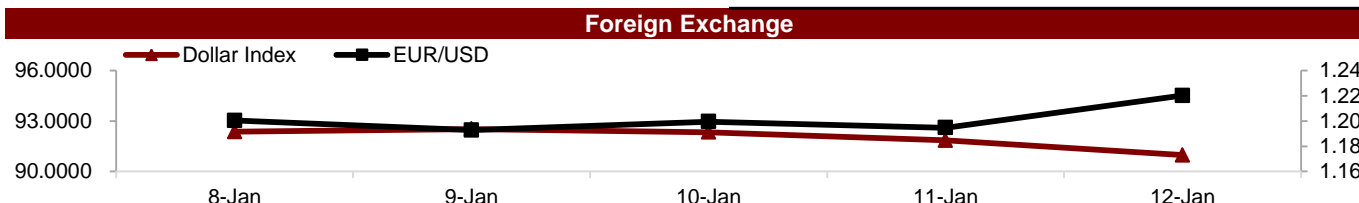
- ✓ **Local equities** were on a downtrend as investors continued to lock in gains following sessions of record highs, but buy market-on-close orders were able to lift the index to close in the green. The PSEi marginally rose to 8,868.56 (+0.02%).
- ✓ **Local fixed income yields** slightly increased as traders pulled out of the short end to position in longer-tenored securities ahead of the release of US inflation print later today (Friday GMT +8, 21:30). On average, yields rose by 3.71 bps, led by the short-end which jumped 14.33 bps.



- ✓ **US equities** closed at another record high as investors bet on a strong corporate earnings season. The S&P 500 closed at 2,786.24 (+0.67% DoD) while the DJIA ended at 25,803.19 (+0.89% DoD).
- ✓ **European stocks** marginally rose on progress over talks in forming a coalition between German Chancellor Merkel's conservative CDU party and Schulz's center-left SPD party. The MSCI Europe closed at 134.58 (+0.28% DoD).
- ✓ **Asian stocks** mildly rose as stronger-than-expected US economic data resulted in broad positive sentiment in the global equities space. The MSCI APxJ closed at 590.16 (+0.76% DoD).
- ✓ **US Treasuries** fell as the December CPI print (+2.1% YoY) hit the Fed's 2% target, reinforcing the probability of a March rate hike. On average, yields went up by 0.85 bps with the 10-yr rising 0.95 bps to 2.5462%.

- ✓ The **Philippine peso** slightly weakened as inflows from end-2017 remittances wane and mounting worries over the Philippines' trade deficit surface. The USDPHP pair fell to 50.40 (-0.08% DoD).
- ✓ The **US dollar** weakened to a 3-year low as investors priced-in risks of tighter monetary policies globally (namely from the BOJ and ECB). The DXY closed at 90.974 (-0.96% DoD).

Pair	Previous Close	Close
PHP/USD	50.360	50.400
EUR/USD	1.1947	1.2108



Key Indicators

YIELDS AND PRICES	12-Jan-18	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.28	-0.85%	-0.89%	-0.17%	-0.38%
1-Year Philippine Treasury Bill Yield (PDST-R2)	3.15	0.31%	0.29%	-0.13%	0.78%
ROP2021 (Price)	104.61	0.00	(0.17)	(0.34)	(3.75)
ROP2034 (Price)	134.50	(0.24)	(0.22)	0.94	4.03
3-Month US Treasury Yield	1.44	0.01%	0.04%	0.11%	1.27%
3-Month German Treasury Bill Yield	(0.67)	-0.01%	-0.09%	0.31%	-0.15%
Dubai Crude Oil Spot (\$/bbl)	66.29	-0.18%	2.32%	6.54%	106.32%
Gold Spot (\$/oz)	1,337.95	1.18%	1.41%	7.50%	26.05%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
1/15/2018	Overseas Workers Remittances	Nov	\$2099mn
1/15/2018	Overseas Remittances YoY	Nov	8.40%

Developed Markets

Date	Country	Event	Period	Prior
11/17/2018	EU	CPI YoY	Dec	0.9%
11/17/2018	US	Industrial Production MoM	Dec	0.2%
1/15/2018	Japan	PPI YoY	Dec	3.5%

Emerging Markets

Date	Country	Event	Period	Prior
1/18/2018	China	GDP YoY	4Q	6.8%
1/15/2018	Indonesia	Trade Balance	Dec	\$127m
1/19/2018	Thailand	Foreign Reserves	12-Jan	\$204bn

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

www.bpiassetmanagement.com



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