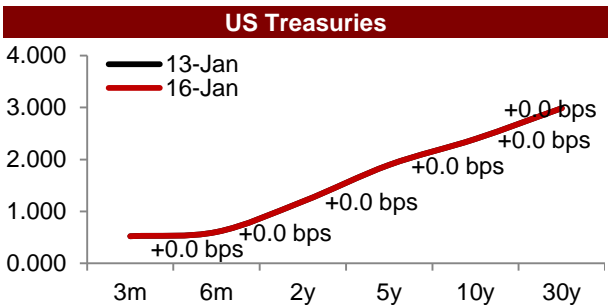
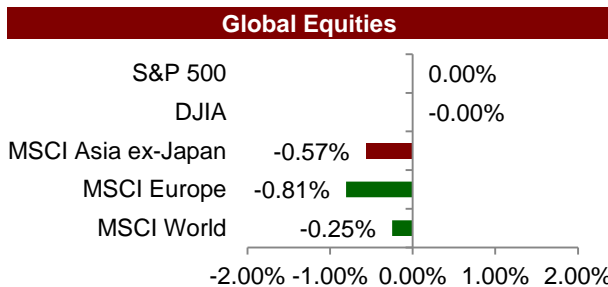
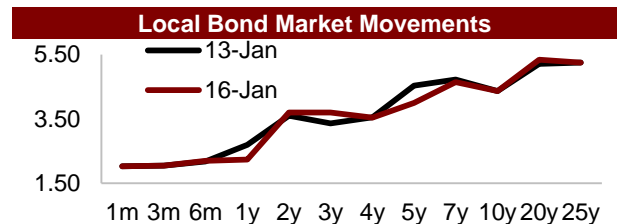
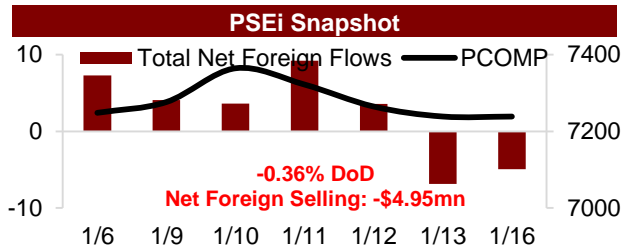


**Risk-off sentiment gripped markets globally amid expectation of negative consequences that would probably result from UK's exit from the EU and cautiousness ahead of Trump's inauguration. Key items to watch out for today: China's GDP, and industrial production and inflation data from select developed markets.**

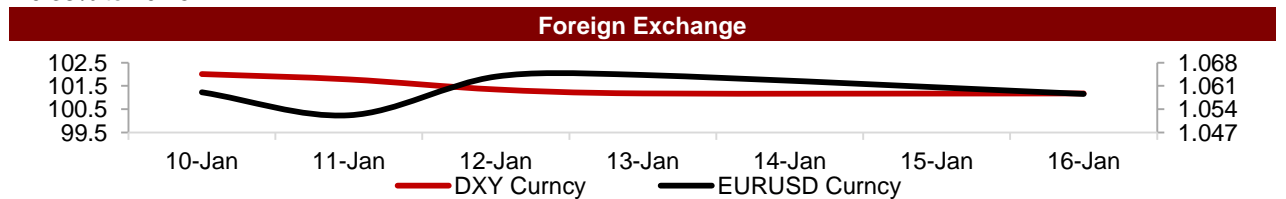
- ✓ The **local equities index** ended flat, with preliminary bargain-hunting during early part of trading offset by foreigners selling Php248Mn during the day. The PSE index was closed at 7,238.45.
- ✓ The **local fixed income market** strengthened as investors took positions ahead of the Jan. 20. Yields in the local fixed income market were slightly down on bargain hunting in the belly to the long end. Yields fell by an average of 4 bps.



- ✓ **US markets were closed in observance of the Martin Luther King Jr. Day.**
- ✓ **European stocks** decelerated following British Prime Minister Theresa May's statements that were interpreted as the UK not opting to keep any form of EU membership as part of a 'hard' Brexit. The MSCI Europe Index decelerated 0.81%.
- ✓ **Asian stocks** retreated as investors tracked movements globally amid the impending inauguration of Trump and Britain's exit from the EU. The MSCI Asia ex-Japan Index lost 0.57%.
- ✓ **The US Treasury market was closed in commemoration of the Martin Luther King Jr. Day.**
- ✓ The **Philippine peso** depreciated on the back of continued net foreign fund outflow in the stock market. The USDPHP pair rose to 49.860, up by 0.44%
- ✓ The **greenback** strengthened as concerns of a hard Brexit weighed down on the pound and brought investors to safe haven currencies. The DXY index rose 0.38% to 101.57.

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Pair	Previous Close	Close	Indicative Rate
USD/PHP	49.640	49.860	1.0586
EUR/USD	1.0643	1.061	1.047



## Key Indicators

YIELDS AND PRICES	16-Jan-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.0446	0.00%	0.17%	0.54%	-0.62%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.2354	-0.46%	-0.53%	0.07%	-0.14%
ROP2021 (Price)	107.434	(0.01)	0.11	1.25	(0.93)
ROP2034 (Price)	135.144	(0.16)	0.96	5.92	4.68
3-Month US Treasury Yield	0.5228	0.00%	0.03%	0.03%	0.36%
30-year US Treasury Yield	2.9886	0.00%	0.03%	-0.19%	-0.03%
3-Month German Treasury Bill Yield	-0.932	-0.01%	0.07%	-0.00%	-0.39%
Dubai Crude Oil Spot (\$/bbl)	53.06	-1.61%	-1.63%	4.59%	65.14%
Gold Spot (\$/oz)	52.37	0.00%	0.79%	0.91%	41.39%

## Upcoming Economic Releases

### Philippines

Date	Event	Period	Prior
01/19/2017	BoP Overall	Dec	-\$1671Mn

### Developed Markets

Date	Country	Eco	Period	Prior
01/18/2017	US	CPI MoM	Dec	0.2%
01/18/2017	US	Industrial Production MoM	Dec	-0.4%
01/18/2017	Germany	CPI EU Harmonized MoM	Dec F	1.0%

### Emerging Markets

Date	Country	Eco	Period	Prior
01/20/2017	China	GDP YoY	4Q	6.7%
01/20/2017	China	Industrial Production YoY	Dec	6.2%

Sources: BPI, Business World, PDI, Phil Star, Manila Bulletin, Reuters, Briefing, Bloomberg, CNN, Dow Jones, The Wall Street Journal, CNBC