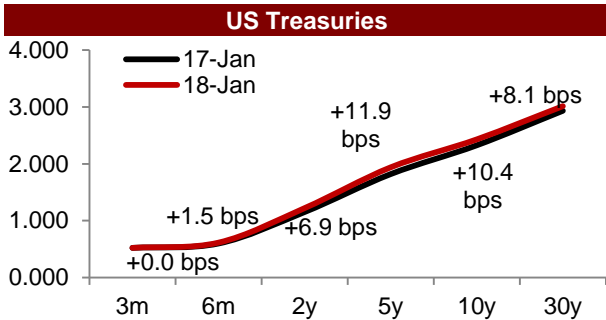
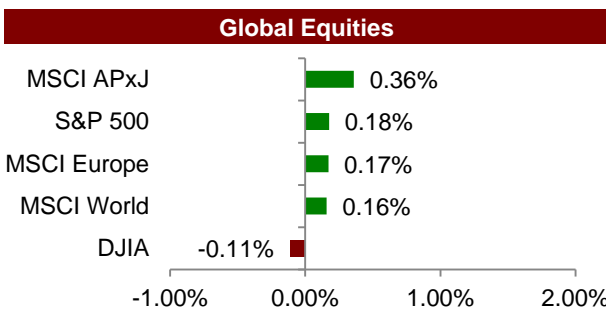
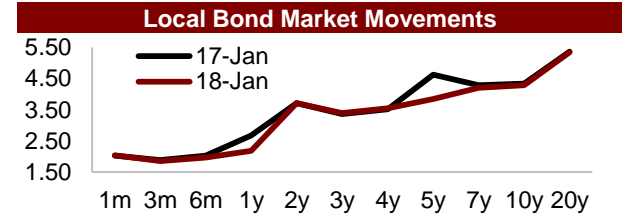
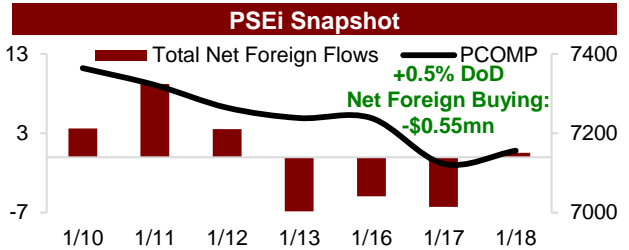


Global markets ended mixed following remarks from the Fed hinting “a few” interest rate hikes for the year, some economic data releases, and corporate earnings results. Key items to watch out for today: balance of payments in the Philippines, and December housing starts and weekly jobless claims data in the US.

- ✓ The **local equities index** rose to 7,156.36 (+ 0.46%) tracking Asian market trends. Asian shares were up after Trump’s comment that strong US dollar will hurt US companies. The PSE index closed at 7,156.36.
- ✓ The **local fixed income market** mirrored movements in US Treasuries. Bargain-hunting also ensued, leading to a decline in yields by an average of 12.17 bps.



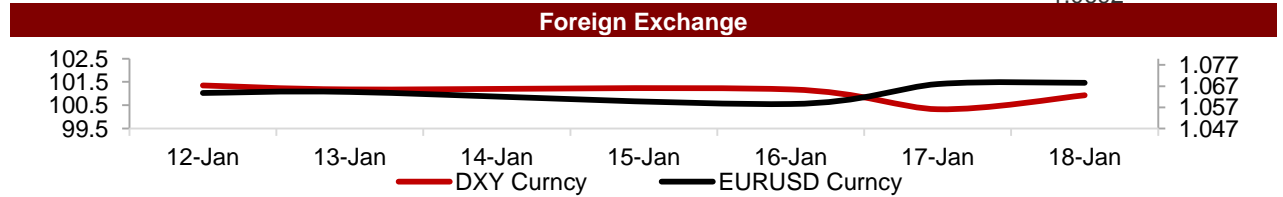
- ✓ The **Philippine peso** slightly rose amid net foreign buying in the EQ market and in response to US President-elect Trump’s criticism USD’s strength. The USD/PHP pair closed at 49.790, up by 0.08%.
- ✓ The **US dollar** continued to strengthen following Yellen’s indication of higher yields in the United States and as investors focus on Trump’s plans of fiscal spending and tax reform. The DXY index rose 0.38% to 101.57.



- ✓ Investors in **US equities** were mixed, as market players digested corporate earnings results, mixed economic data releases (retail, housing, and CPI data and Yellen’s statements ahead of the Jan. 20 inauguration. The S&P rose to 0.18% while the Dow Jones dipped 0.11%
- ✓ **European stocks** rose in response to the stronger euro following Trump’s statements on the dollar’s strength. The MSCI Europe Index accelerated 0.17%.
- ✓ **Asian equities** rose amid increasing foreign flows to the region, as investors moved in response to the relative weakness of the dollar and ahead of the Trump inauguration.
- ✓ The **US Treasury market** declined as Yellen said that as the economy strengthens, there is support for the Fed’s hiking of rates. Both two-year and 10-year yields increased to 1.22% and 2.43%, respectively.

Foreign Exchange

USD/PHP	Previous Close	49.830
	Close	49.790
EUR/USD	Previous Close	1.0680
	Indicative Rate	1.0692



Key Indicators

YIELDS AND PRICES	17-Jan-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	1.8519	-0.03%	0.28%	0.35%	-0.81%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.1775	-0.50%	-0.41%	0.01%	-0.19%
ROP2021 (Price)	107.620	0.16	0.24	1.44	(0.74)
ROP2034 (Price)	135.516	(0.15)	0.55	6.29	5.05
3-Month US Treasury Yield	0.5228	0.00%	0.02%	0.03%	0.36%
30-year US Treasury Yield	3.0129	0.08%	0.06%	-0.16%	-0.00%
3-Month German Treasury Bill Yield	-0.865	0.03%	0.06%	0.06%	-0.33%
Dubai Crude Oil Spot (\$/bbl)	52.43	-2.73%	0.81%	3.35%	63.18%
Gold Spot (\$/oz)	1,204.15	-1.06%	1.05%	6.11%	13.45%

Upcoming Economic Releases

Philippines

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

Developed Markets

Date	Country	Eco	Period	Prior
01/19/2017	US	US Initial Jobless Claims SA	Jan 14	247k
01/19/2017	US	Housing Starts	Dec	1090k
01/19/2017	US	Philadelphia Fed Biz Outlook Survey Diffusion Index	Jan	21.5

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