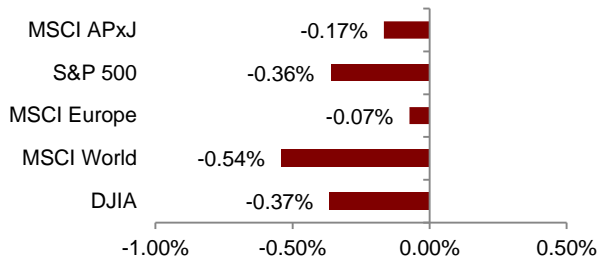


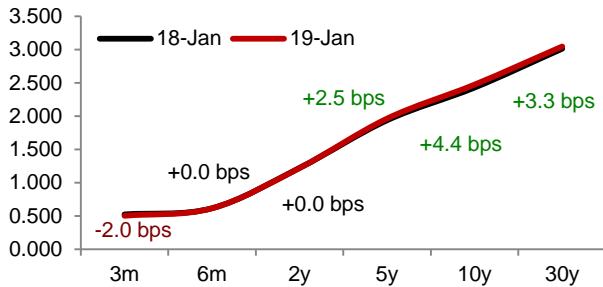
**Global markets declined, borne down by the strength of the dollar and negative pronouncements from Europe. Key items to watch out for today: China's GDP and industrial production.**

- ✓ The **local equities market** rallied to 7,246.08 (+1.25%) given bargain-hunting from local investors, despite the Php379Mn net selling undertaken by foreign investors.
- ✓ As for the **local fixed income** space, we saw some profit taking after Yellen said that the Fed is ready to execute a few rate hikes until 2019. Yields rose by an average of 19 bps, led by the short end (+ 28 bps).

### Global Equities

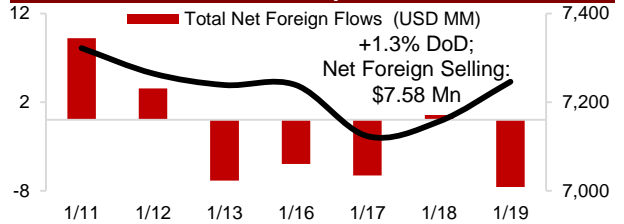


### US Treasuries

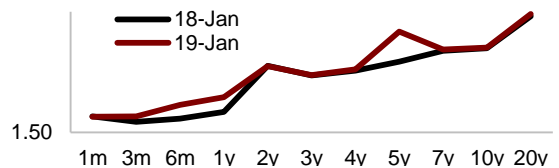


- ✓ The **Philippine peso** depreciated given hawkish comments from Yellen, which indicated that the Fed is prepared for gradual increase in interest rates this year. The USD/PHP pair rose to 49.980, up by 0.38%.
- ✓ The **US dollar** continued to recover from its Tuesday weakness following Fed Chair Yellen's indication of hiking rates a few times in the ner-term. The DXY index rose 0.22% to 101.15.

### PSEi Snapshot



### Local Bond Market Movements

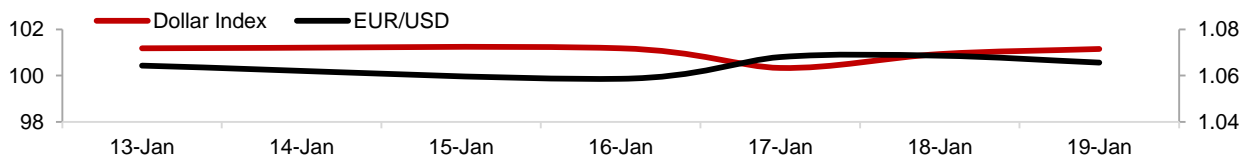


- ✓ **US equities** continued to fall as market players showed rising worries on whether US President-elect Trump will follow through on his pro-growth promises. The S&P fell 0.36% while the Dow Jones lost 0.37%
- ✓ **European stocks** fell after the ECB did not change its QE program and benchmark rates, and after ECB's Draghi statement that there was no convincing upward trend in underlying inflation. The MSCI Europe Index dipped 0.84%.
- ✓ **Asian equities** ended mixed, as investors reacted on Janet Yellen's hawkish comments, but was offset by the weakening of the Yen. MSCI Asia Pacific Index lost 0.43%.
- ✓ The **US Treasury market** continued to decline as investors minced the Fed's hawkish stance amid prospects of better growth. The two-year unchanged at 1.221% while the 10-year was up to 2.474%.

### Foreign Exchange

USD/PHP	Previous Close	49.790
	Close	49.980
EUR/USD	Previous Close	1.0686
	Indicative Rate	1.0660

### Foreign Exchange



## Key Indicators

YIELDS AND PRICES	19-Jan-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.0357	0.18%	0.44%	0.42%	-0.63%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.6696	0.49%	0.00%	0.54%	0.30%
ROP2021 (Price)	106.756	(0.73)	(0.70)	0.50	(1.60)
ROP2034 (Price)	134.115	(1.40)	(1.70)	4.80	3.65
3-Month US Treasury Yield	2.0357	0.18%	0.44%	0.42%	-0.63%
3-Month German Treasury Bill Yield	-0.885	-0.02%	0.05%	0.05%	-0.35%
Dubai Crude Oil Spot (\$/bbl)	51.84	-1.13%	-2.81%	-0.46%	61.34%
Gold Spot (\$/oz)	1,204.82	0.06%	0.79%	5.88%	13.51%

## Upcoming Economic Releases

### Philippines

Date	Event	Period
1/25/2017	Philippines Budget Balance Monthly	Dec
1/26/2017	Philippines GDP Constant 2000 Prices YoY	4Q

### Developed Markets

Date	Country	Eco	Period
1/24/2017	US	US Existing Homes Sales SAAR	Dec
1/25/2017	US	MBA US US Mortgage Market Index Weekly % Change SA	Jan 20
1/26/2017	US	US Initial Jobless Claims SA	Jan 14

### 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