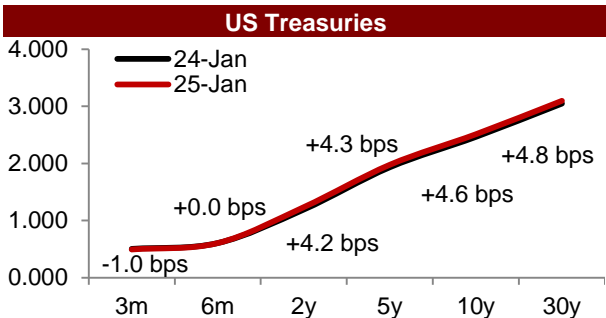
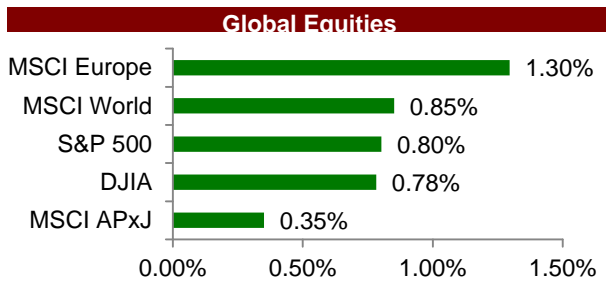
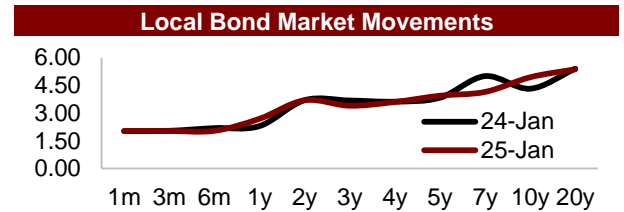
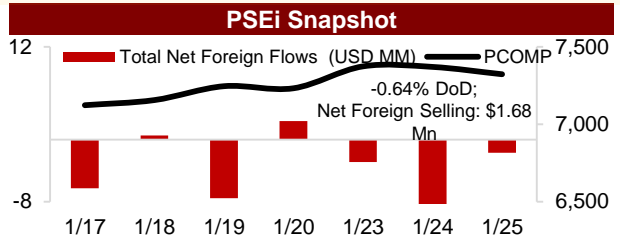


Risk taking was evident across markets as optimism towards the US economy spilled to other regions. On the contrary, we saw some profit taking on the local equities market after the government revised downward the 3Q GDP growth print from 7.1% to 7.0%. The US will report its 4Q 2016 GDP this Friday (US time).

- ✓ The **local equities index** declined by 0.64% as market players moved ahead of the earnings results season and as market participants digested the downward revision in the Philippine GDP print. Foreign selling of \$1.68 million dragged the market.
- ✓ The **local fixed income market** recovered amid a downward revision in the Philippine 3Q GDP print to 7% from the previously reported 7.1%. Yields fell by an average of 1.84 bps, led by the 21.1 bps drop in the belly of the curve.



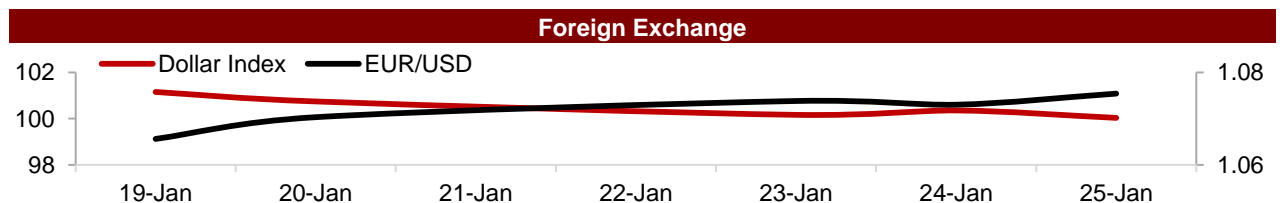
- ✓ The **Philippine peso** was unmoved as investors priced in key “day one” policies approved by US President Trump. The USD/PHP closed at 49.810.
- ✓ The **US dollar** strengthened economic data (US PMI at 55.1) suggested continued resurgence of manufacturing. The DXY index fell 0.19% to 100.35.



- ✓ **US equities** rose on positive earnings results and optimism towards Trump’s policies. Investors took Trump’s decision on key pipelines positively. The Dow Jones Industrial Average rose 0.78% while the S&P 500 was up by 0.80%.
- ✓ **European stocks** on risk on sentiment and positive view on the banking sector. The MSCI Europe rose 1.30%.
- ✓ **Asian equities** posted moderate gains as risk on sentiment from Wall Street spilled over to Asia. There were also some support from strong economic data some markets. The MSCI Asia Pacific ex-Japan rose 0.35%.
- ✓ **US Treasuries** continued to fall given risk-on sentiment in the equities market. The two-year note yield rose 4.17bps to 1.234% while the 10-year bond yield jumped 4.64bps to 2.512%.

Foreign Exchange

USD/PHP	Previous Close	49.810
	Close	49.810
EUR/USD	Previous Close	1.0730
	Indicative Rate	1.0744



Key Indicators

YIELDS AND PRICES	25-Jan-17	DoD	WoW	MoM
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.0281	-0.01%	0.18%	0.24%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.6893	0.40%	0.51%	0.38%
ROP2021 (Price)	106.317	(0.07)	(1.17)	(0.04)
ROP2034 (Price)	132.851	(0.60)	(2.66)	3.08
3-Month US Treasury Yield	0.4923	-0.01%	-0.03%	-0.02%
3-Month German Treasury Bill Yield	-0.846	0.00%	0.02%	0.10%
Dubai Crude Oil Spot (\$/bbl)	52.98	-0.67%	1.05%	2.97%
Gold Spot (\$/oz)	1,200.79	-0.66%	-0.28%	5.89%

Upcoming Economic Releases

Philippines

Date	Event	Period
1/26/2017	Philippines GDP Constant 2000 Prices YoY	4Q
1/26/2017	Philippines Annual GDP YoY	2016

Developed Markets

Date	Country	Eco	Period
1/26/2017	US	US Initial Jobless Claims SA	Jan 14
1/27/2017	US	GDP US Chained 2009 Dollars QoQ SAAR	4Q A

Emerging Markets

Date	Country	Eco	Period	Prior
01/26/2017	China	Industrial Production YoY	Dec	14.5%

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