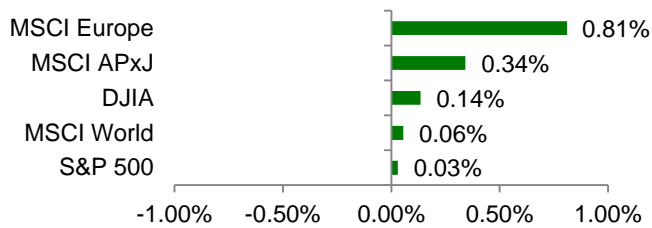


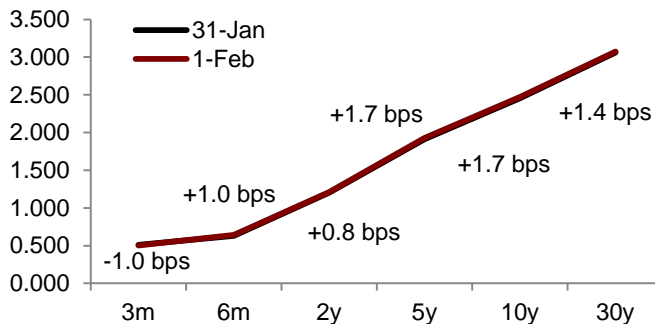
Sentiment towards risk assets improved slightly as the Federal Reserve kept interest rates steady and reiterated their positive outlook on the US economy. On the local front, both the equities and the fixed income markets ended flat as investors await for the result of the Fed and the BSP meetings.

- ✓ The **local equities index** declined by 0.03% as investors took caution ahead of the FOMC meeting. The PSEi ended at 7,227.45.
- ✓ The **local fixed income market** was flat as investors continued to stay cautious ahead of central bank meetings. However, there was a preference for the short-end as yields fell by 7.7 bps (compared to an increase of 6.7 bps for the long-end). On average, yields fell by 0.82 bps.

### Global Equities

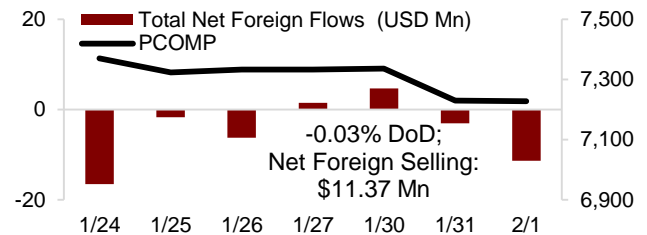


### US Treasuries

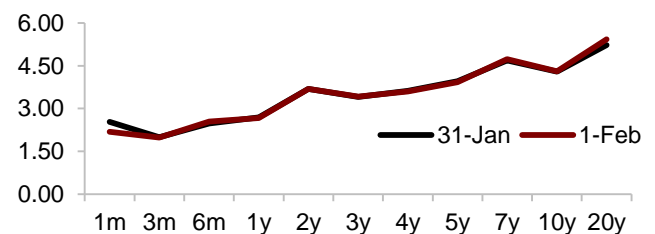


- ✓ The **Philippine peso** weakened by 0.10% to close at 49.82, in line with the Php566Mn foreign selling in the local equities market.
- ✓ The **US dollar** gained ground on the back of strong economic data releases including private employment, and manufacturing activity. The DXY index rose 0.24% to 99.749.

### PSEi Snapshot



### Local Bond Market Movement

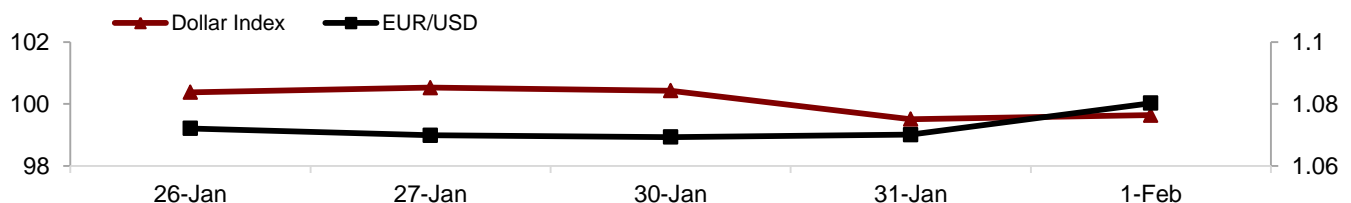


- ✓ Together with the announcement to hold interest rates, the Federal Reserve's positive outlook on the US economy lifted **US equities** to close marginally higher.
- ✓ **European equities** ended positive on the back of positive earnings reports and data from China and Europe.
- ✓ **Asian equities** edged higher as investors positioned ahead of the Fed's statement on policy rates.
- ✓ **US Treasuries** declined as the Fed kept interest rates steady and as investors reacted to the strong private sector employment report, a leading indicator for the nonfarm payrolls. The two-year note yield gained 0.8 bps to 1.213% while the 10-year bond yield rose 1.7 bps to 2.470%.

### Foreign Exchange

Pair	Previous Close	Close
USD/PHP	49.82	49.77
EUR/USD	1.0693	1.0714

### Foreign Exchange



## Key Indicators

YIELDS AND PRICES	1-Feb-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	1.99	-0.00%	-0.04%	-0.09%	-0.68%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.66	-0.02%	-0.02%	0.21%	0.29%
ROP2021 (Price)	106.17	0.14	(0.15)	(0.14)	(2.19)
ROP2034 (Price)	132.16	0.38	(0.69)	2.23	1.69
3-Month US Treasury Yield	0.50	-0.01%	0.01%	0.01%	0.34%
3-Month German Treasury Bill Yield	(0.84)	-0.02%	0.00%	0.14%	-0.30%
Dubai Crude Oil Spot (\$/bbl)	53.27	0.51%	0.55%	-1.33%	65.80%
Gold Spot (\$/oz)	1,209.78	-0.07%	0.75%	4.99%	13.98%

## Upcoming Economic Releases

### Philippines

Date	Event	Period
2/7/2017	CPI YoY	Jan
2/9/2017	BSP Meeting	Jan

### Developed Markets

Date	Country	Event	Period	Prior
2/3/2017	US	Nonfarm Payrolls	Jan	156K
2/7/2017	US	US Trade Balance	Dec	-US\$45.2 bn
2/2/2017	EU	CPI YoY	Jan	-0.25%

### Emerging Markets

Date	Country	Event	Period	Prior
1/31/2017	China	Caixin China Composite PMI	Jan	53.4
2/3/2017	China	Exports YoY	Jan	-6.10%

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

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