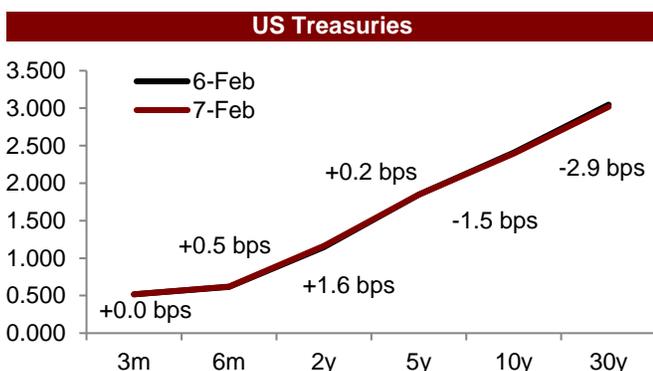
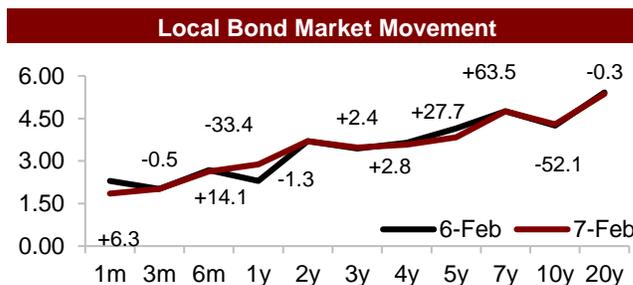
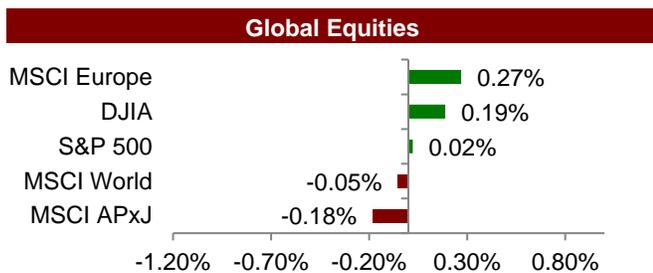
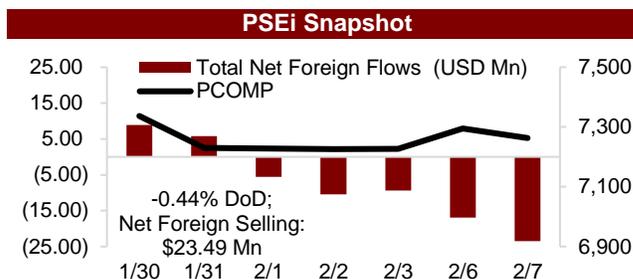


Global assets ended mixed as investors digested the hawkish statement from a Fed official and the looming political uncertainty in the EU. It was a relatively quiet day for trading for both the local equities and fixed income markets as investors await for significant market-moving news such as more corporate earnings releases.

- ✓ The **local equities index** plunged 0.44% to close at 7,262.64 as inflation closed lower than expected at 2.7% YoY, missing the median target of 2.8%.
- ✓ In the **local fixed income market**, prices of government securities ended flat with an upward bias as risk-off sentiment prevailed on the back of European political risk. On average, yields fell by 2.42 bps.

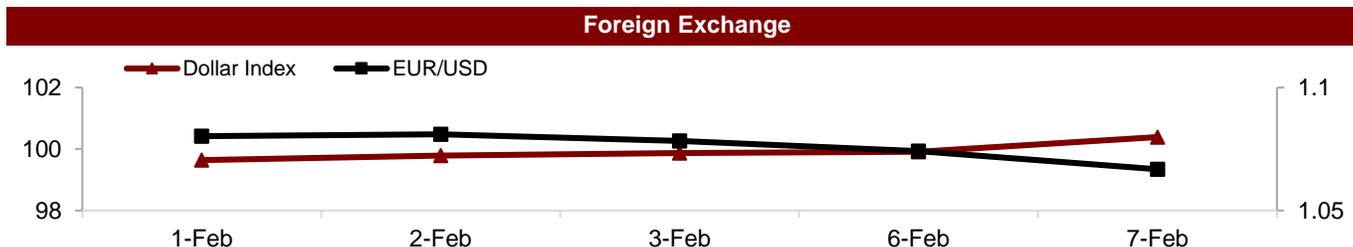


- ✓ The Nasdaq ended at a record high of 5,674.22 as **US equities** closed marginally higher after a number of corporate earnings releases.
- ✓ **European stocks** edged higher as investors focused on earnings reports and a weaker euro.
- ✓ **Asian equities** were mostly down as uncertainty on the impact of US policies persisted. Moreover, investors sought safe-haven assets, yen and gold, over equities.
- ✓ **US Treasuries** ended mixed as political uncertainty in the EU rises but at the same time expectations of a rate hike in March was back on the table. The 2-yr yield rose to 1.1650% while the 10-yr yield fell to 2.3931%, respectively.

Foreign Exchange

USD/PHP	Previous Close	49.6900
	Close	49.7800
EUR/USD	Previous Close	1.0741
	Indicative Rate	1.0669

- ✓ The **Philippine peso** weakened by 0.18%, closing at 49.78, as European political risk encouraged a flight to safe haven assets such as the USD.
- ✓ The **US dollar** strengthened on the back of the hawkish statements from a Federal Reserve governor. The DXY index rose 0.48% to 100.39.



Key Indicators

YIELDS AND PRICES	7-Feb-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.02	0.00%	0.02%	0.11%	-0.65%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.88	0.57%	0.19%	0.25%	0.50%
ROP2021 (Price)	106.47	0.18	0.45	(0.98)	(1.89)
ROP2034 (Price)	133.65	0.39	1.87	(1.67)	3.18
3-Month US Treasury Yield	0.52	0.00%	0.01%	0.01%	0.36%
3-Month German Treasury Bill Yield	(0.82)	0.02%	0.01%	0.16%	-0.28%
Dubai Crude Oil Spot (\$/bbl)	54.07	-1.64%	2.02%	-1.71%	68.29%
Gold Spot (\$/oz)	1,230.97	-0.36%	1.68%	4.96%	15.97%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
2/9/2017	Trade Balance	Dec	-US\$2.6 Bn
2/9/2017	BSP Meeting	9-Feb	3.00%

Developed Markets

Date	Country	Event	Period	Prior
2/9/2017	US	Initial Jobless Claims	4-Feb	246K
2/7/2017	US	US Trade Balance	Dec	-US\$45.2 bn
2/12/2017	Japan	GDP YoY	4Q	1.10%

Emerging Markets

Date	Country	Event	Period	Prior
2/9/2017	China	Money Supply M2 YoY	Jan	11.30%
2/9/2017	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

www.bpiassetmanagement.com

