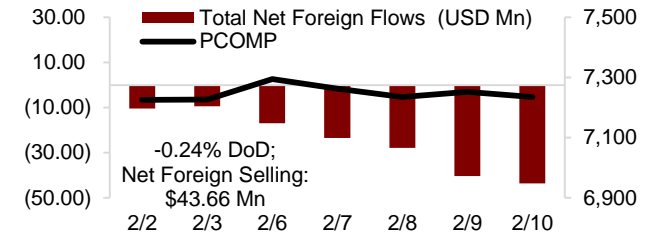


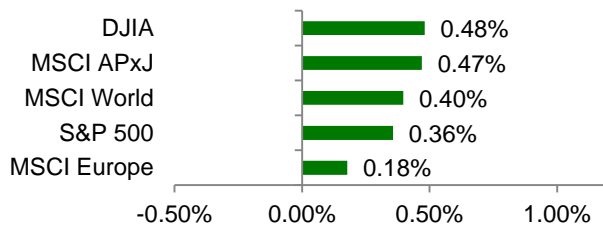
Investors favored the risky assets continued to be bouyed by Trump's tax pronouncements and the rally in oil prices. On the local front, both the equities and fixed income markets traded sideways with a downward bias as investors await for market-moving events such as corporate earnings releases.

- ✓ The **local equities index** declined by 0.24%, closing at 7,235.21 as investors became cautious ahead of the release of the 4th quarter corporate earnings report.
- ✓ In the **local fixed income market**, prices of government securities fell as the BSP increased its inflation forecast to 3.5% for 2017 and 3.1% for 2018. On average, yields went up by 5.60 bps.

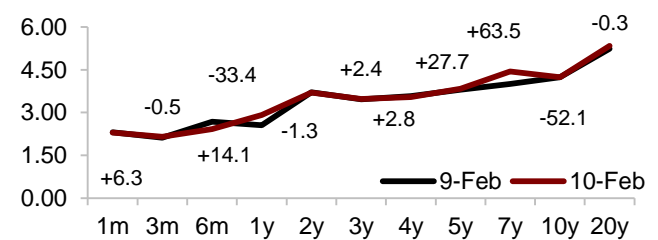
PSEi Snapshot



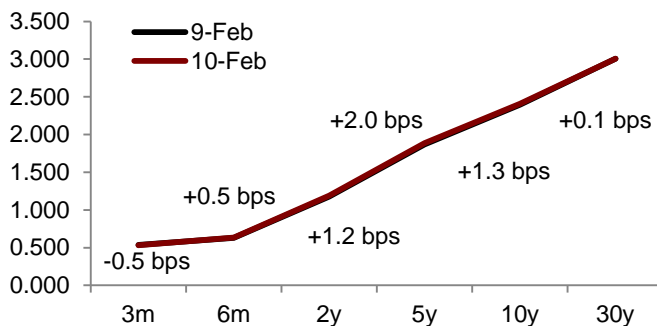
Global Equities



Local Bond Market Movement



US Treasuries



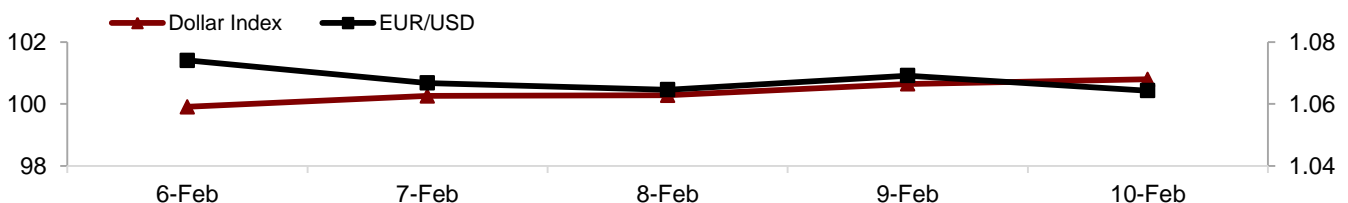
- ✓ **US equities** once again ended on a record high as investors' optimism on the tax reform continued. Moreover, the US stock market finished the week on its third straight weekly gain.
- ✓ **European equities** edged up on the back of strong export data from China which lifted mining companies. Additionally, satisfactory corporate results added to the European market rally.
- ✓ Positive sentiment on Trump speeding up his tax reform plans spilled over to **Asian equities** to end the session up.
- ✓ **US Treasuries** fell after President Trump teased on his proposed tax plans, favoring the risky assets. The 2-yr yield rose to 1.1895% while the 10-yr yield increased to 2.4073%.

- ✓ The **Philippine peso** traded sideways with a downward bias, closing at the 49.86 level due to President Trump's announcement on the tax cut. Moreover, data released showed PH imports once again outpacing exports.
- ✓ The **US dollar** marginally strengthened after the amicable meeting between Trump and Japanese PM Abe. The DXY index rose 0.15% to 100.8.

Foreign Exchange

Pair	Previous Close	Close
USD/PHP	49.8700	49.8600
EUR/USD	1.0692	1.0640

Foreign Exchange



Key Indicators

YIELDS AND PRICES	10-Feb-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.11	0.03%	-0.24%	0.24%	-0.55%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.55	-0.07%	-0.27%	-0.22%	0.18%
ROP2021 (Price)	106.51	0.02	0.29	(0.82)	(1.85)
ROP2034 (Price)	133.66	(0.40)	1.38	(0.52)	3.20
3-Month US Treasury Yield	0.54	0.01%	0.04%	0.04%	0.38%
3-Month German Treasury Bill Yield	(0.82)	-0.01%	0.03%	0.19%	-0.28%
Dubai Crude Oil Spot (\$/bbl)	53.95	2.04%	-1.69%	0.02%	67.91%
Gold Spot (\$/oz)	1,228.36	-1.06%	1.04%	4.00%	15.73%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
2/14/2017	OFW Remittances	Dec	18.50%
2/20/2017	BoP Overall	Jan	-US\$214Mn

Developed Markets

Date	Country	Event	Period	Prior
2/15/2017	US	CPI YoY	Jan	2.10%
2/16/2017	US	Housing Starts	Jan	1226K
2/12/2017	Japan	GDP YoY	4Q	1.10%

Emerging Markets

Date	Country	Event	Period	Prior
2/13/2017	China	CPI YoY	Jan	2.10%
2/13/2017	China	PPI YoY	Jan	5.50%

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

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