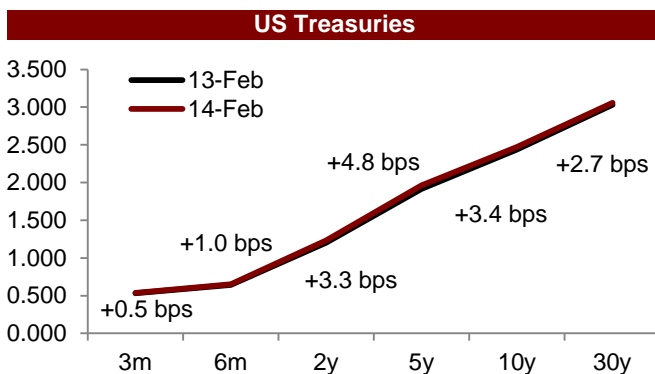
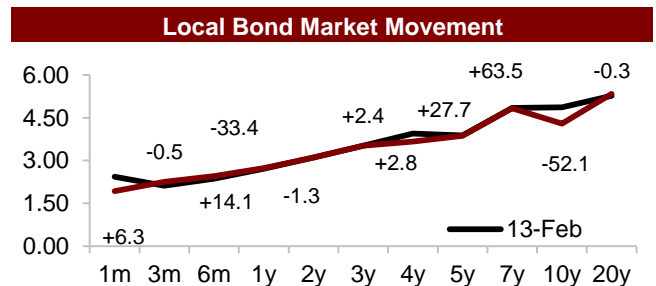
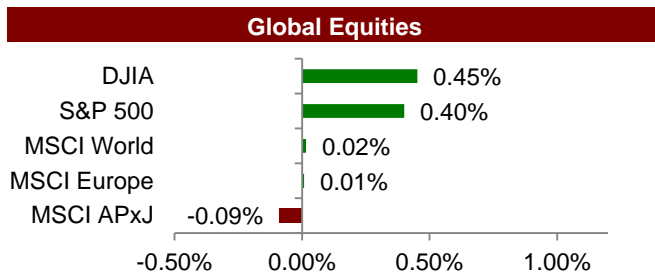
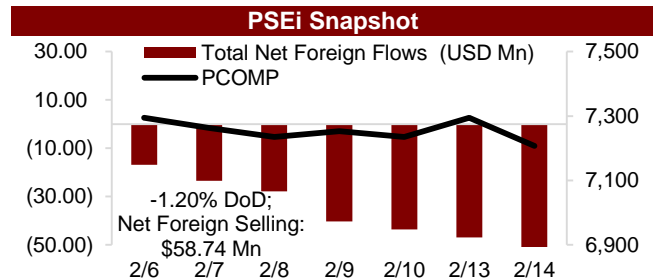


**Global equities rallied while treasuries fell as after Janet Yellen's testimony as investors took it a sign of recovery in US growth. On the local front, equities sank as investors became wary ahead of full earnings results.**

- ✓ The **local equities index** ended in negative territory, falling 1.2% for the day as investors took profits ahead of full earnings results.
- ✓ In the **local fixed income market**, prices of government securities rose (particularly in the long-end) despite investors expecting a more hawkish stance from the US Fed and the BSP. On average, yields went down 8.99 bps.

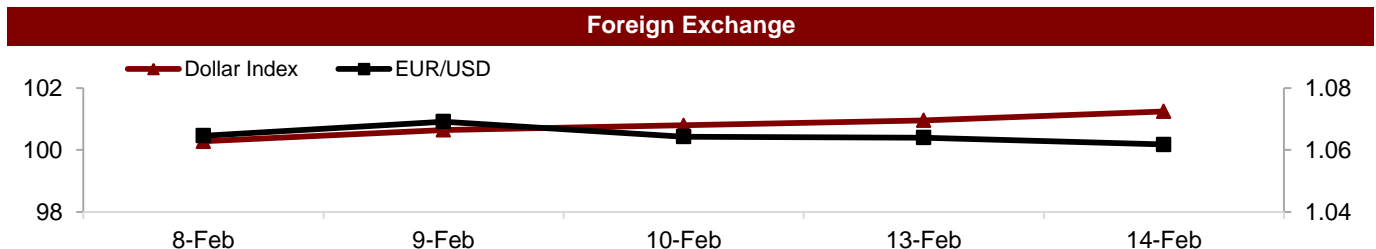


- ✓ Federal Reserve Chairwoman Janet Yellen hinted on the possibility of raising interest rates sooner than expected which lifted bank stocks up to push **US equities** to another record close.
- ✓ **European equities** were mixed to end the stock market's winning streak after German and Italian 4Q GDP missed forecasts.
- ✓ **Asian equities** ended lower as investors stayed on the sidelines ahead of Yellen's testimony. Moreover, the yen strengthened to put pressure on Japanese stocks.
- ✓ **US Treasuries** fell on the back of Fed Chairwoman's hawkish statements. The 2-yr yield rose to 1.2343% while the 10-yr yield increased to 2.4698%.

- ✓ The **Philippine peso** traded sideways with an upward bias, closing at the 49.88 level due to positive sentiment on dollar assets. Investors expect hawkish statements from Yellen (as she talks up the possibility of a March rate hike).
- ✓ The **US dollar** strengthened after Janet Yellen said that "waiting too long to raise interest rates would be unwise".. The DXY index rose 0.29% to 101.25.

### Foreign Exchange

USD/PHP	Previous Close	49.9200
	Close	49.8800
EUR/USD	Previous Close	1.0640
	Indicative Rate	1.0633



## Key Indicators

YIELDS AND PRICES	14-Feb-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.25	0.13%	0.24%	0.21%	-0.42%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.74	0.02%	-0.14%	0.04%	0.37%
ROP2021 (Price)	106.45	0.04	0.00	(0.99)	(1.91)
ROP2034 (Price)	133.48	0.02	(0.11)	(1.82)	3.02
3-Month US Treasury Yield	0.54	0.01%	0.02%	0.02%	0.38%
3-Month German Treasury Bill Yield	(0.89)	-0.03%	-0.07%	0.04%	-0.35%
Dubai Crude Oil Spot (\$/bbl)	54.33	0.24%	0.89%	0.74%	69.09%
Gold Spot (\$/oz)	1,228.20	0.25%	-0.46%	2.56%	15.71%

## Upcoming Economic Releases

### Philippines

Date	Event	Period	Prior
2/15/2017	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
2/20/2017	Japan	Trade Balance	Jan	JPY641.4 Bn

### Emerging Markets

Date	Country	Event	Period	Prior
2/15/2017	India	Exports YoY	Jan	5.70%
2/16/2017	Indo	Trade Balance	Jan	US\$992 Mn

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

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