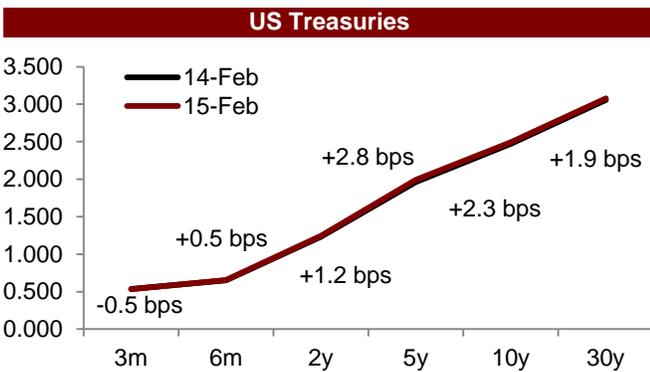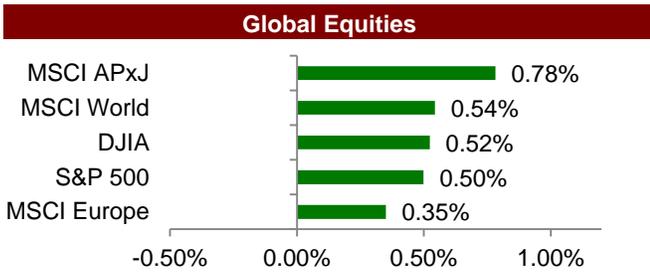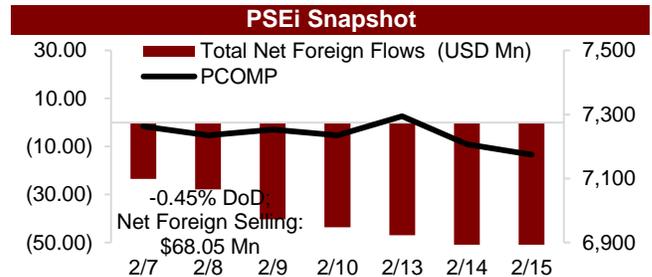Global equities rallied while treasuries fell after strong economic data from the US (inflation, retail sales, etc.) supported investor sentiment towards risky assets. On the local front, equities marginally fell on profit-taking.

✓ The **local equities index** traded flat with a slight downward bias (-0.45% DoD). Investors took profit on the back of positive earnings results / guidance from key index names (e.g. ALI, JFC, SECB, etc.).

✓ In the **local fixed income** market, prices of government securities fell (particularly along the belly and long-end of the curve) as investors digested hawkish statements from Yellen. On average, yields rose by 6.44 bps.
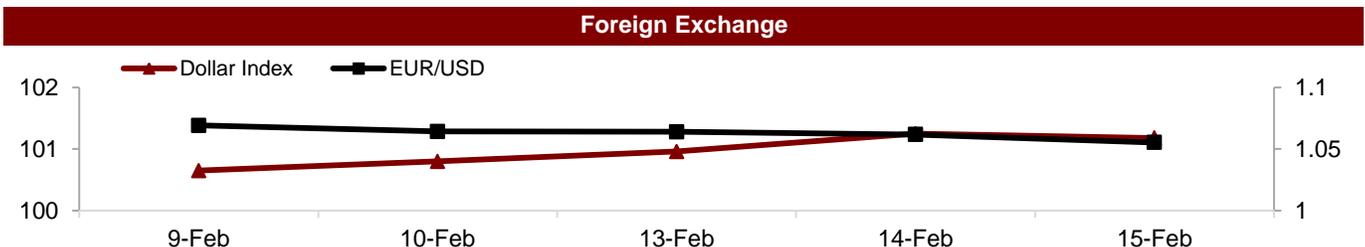
PSEi Snapshot

Global Equities

Local Bond Market Movement

US Treasuries

✓ The **Philippine peso** traded sideways with slight downward bias, closing at the 49.92 level. The weakness comes despite positive remittances data (+5% YoY versus +4% BSP estimate).

✓ The **US dollar** traded flat despite the combination of stronger inflation (+0.6% MoM) and retail sales print (+0.4% MoM). The DXY index fell 0.07% to 101.18.

✓ **US equities** closed at record highs for a fifth straight session. Investors remained optimistic as Trump reiterated his tax plans, and US retail sales data came in higher at 0.4% against 0.1% expectations.

✓ Bank stocks led the way to lift **European equities** higher as investors reacted to Federal Reserve Chairperson Janet Yellen's testimony wherein she hinted on hiking interest rates sooner.

✓ **Asian equities** were up as investors returned to the stock market after the upbeat testimony from the Federal Reserve.

✓ **US Treasuries** fell as yields continued increasing in light of interest rate hikes talks from Fed officials Rosengren and Harker. The 2-yr yield rose to 1.2466% while the 10-yr yield increased to 2.4932%.

Foreign Exchange

USD/PHP	Previous Close	49.8800
	Close	49.9200
EUR/USD	Previous Close	1.0618
	Indicative Rate	1.0554

Foreign Exchange

Key Indicators

YIELDS AND PRICES	15-Feb-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.23	-0.02%	0.14%	0.18%	-0.44%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.26	-0.48%	-0.36%	-0.43%	-0.11%
ROP2021 (Price)	106.31	(0.14)	(0.19)	(1.13)	(2.05)
ROP2034 (Price)	132.82	(0.66)	(1.24)	(2.48)	2.36
3-Month US Treasury Yield	0.53	-0.01%	0.00%	0.01%	0.37%
3-Month German Treasury Bill Yield	(0.88)	0.01%	-0.07%	0.05%	-0.34%
Dubai Crude Oil Spot ($/bbl)	53.58	-1.38%	1.34%	-0.65%	66.76%
Gold Spot ($/oz)	1,233.72	0.45%	-0.63%	3.02%	16.23%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
2/20/2017	Budget Balance PHP	Jan	-
2/20/2017	BoP Overall	Jan	-US$214Mn

Developed Markets

Date	Country	Event	Period	Prior
2/16/2017	US	Initial Jobless Claims	Feb	234K
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
2/16/2017	Indo	Trade Balance	Jan	US$992 Mn
2/22/2017	Mexico	GDP NSA YoY	4Q 2016	2.20%

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

www.bpiassetmanagement.com