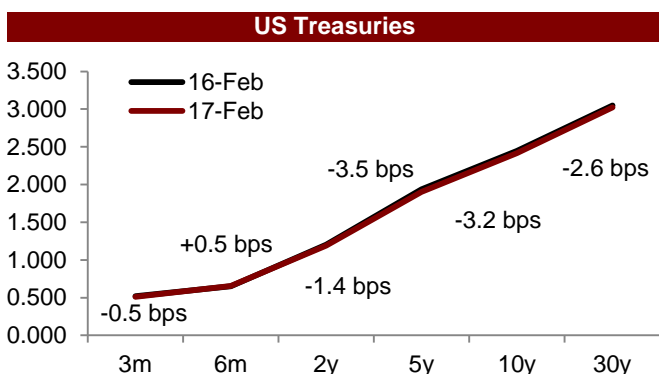
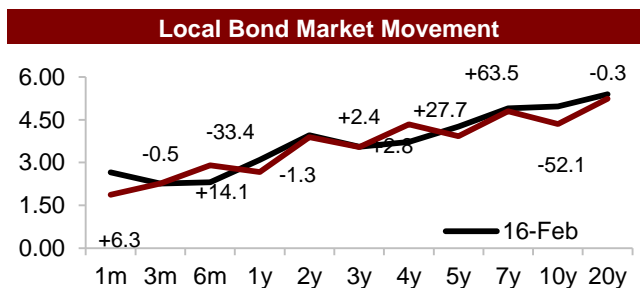
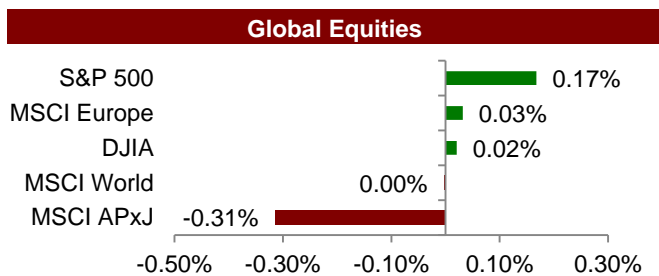
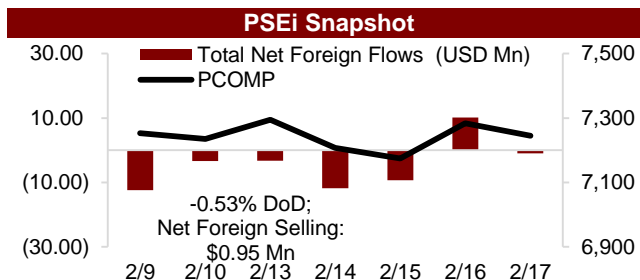


Investors continued to favor bonds amid political uncertainty in Europe. Nonetheless, Global equities managed to eke out gains on the back of an ambitious M&A proposal. Meanwhile, in the local markets, fixed income securities outperformed the local equities as investors took the opportunity to bargain hunt.

- ✓ The **local equities index** declined by 0.53%, closing at 7,244.79 due to profit-taking.
- ✓ In the **local fixed income market**, prices of government securities rose as investors took the opportunity to hunt for bargains while yields fell by an average of 10.79 bps.

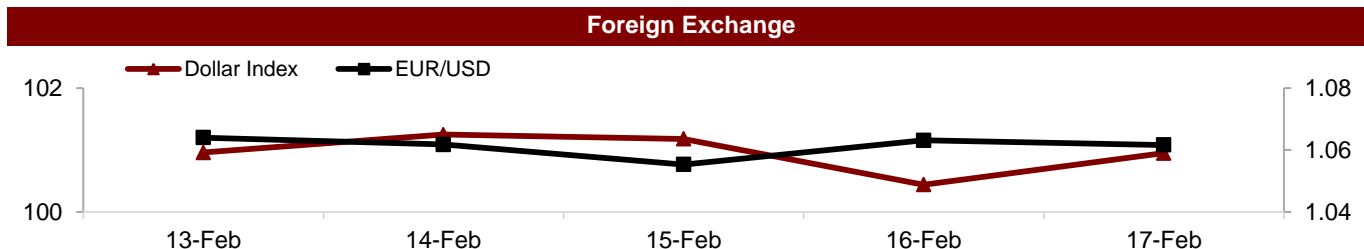


- ✓ **US equities** were up as the Dow Jones Industrial Average extended its winning streak to seven straight sessions. The Trump rally continued as investors remained optimistic of Trump's policies.
- ✓ **European equities** closed marginally higher after Unilever and Essentra posted significant gains. Unilever lifted the stock market after declining a merger proposal from Kraft Heinz Co. to post a gain of 13%.
- ✓ **Asian equities** were down as investors awaited details on Trump's economic policies amid the lack of market-moving data.
- ✓ **US Treasuries** continued to rally as investors shifted to safe havens after news of a potential tie up of two leftist candidates broke out which increased speculations of a Le Pen victory. The 2-yr yield fell to 1.1882% while the 10-yr yield increased to 2.4147%.

Foreign Exchange

USD/PHP	Previous Close	49.9700
	Close	50.0000
EUR/USD	Previous Close	1.0674
	Indicative Rate	1.0649

- ✓ The **Philippine peso** weakened against the dollar, closing at the Php50 level due to less-than-expected increase in the latest U.S jobless claims data which was recorded at 239,000.
- ✓ The **US dollar** strengthened against major currencies amid rising political uncertainty in Europe and the weak retail sales data in the UK. The DXY index rose 0.51% to 100.95.



Key Indicators

YIELDS AND PRICES	17-Feb-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.26	0.00%	0.12%	0.38%	-0.40%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.66	-0.43%	-0.25%	-0.01%	0.29%
ROP2021 (Price)	106.46	0.13	0.06	(1.01)	(1.90)
ROP2034 (Price)	132.83	0.06	(0.65)	(2.84)	2.36
3-Month US Treasury Yield	0.51	-0.01%	-0.02%	-0.01%	0.35%
3-Month German Treasury Bill Yield	(0.81)	0.07%	0.01%	0.09%	-0.27%
Dubai Crude Oil Spot (\$/bbl)	53.78	-0.11%	-1.25%	-0.22%	67.38%
Gold Spot (\$/oz)	1,234.95	-0.33%	0.11%	1.47%	16.35%

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
2/21/2017	US	Markit US Manufacturing PMI	Feb	55.0
2/22/2017	US	FOMC Minutes	1-Feb	na
2/20/2017	Japan	Trade Balance	Jan	JPY641.4 Bn

Emerging Markets

Date	Country	Event	Period	Prior
2/21/2017	Malaysia	CPI YoY	Jan	1.80%
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



This material, which is strictly for information purposes only, is for your sole use, does not constitute a recommendation or an offer to sell or a solicitation to buy any financial product. Any information is subject to change without notice and BPI is not under any obligation to update or keep current the information contained herein. You are advised to make your own independent judgment with respect to the matter contained in this document. No liability whatsoever is accepted for any loss that may arise (whether direct or consequential) from any use of the information contained herein. All funds managed by BPI Asset Management and affiliates are Trust and/or Investment Management Funds, which do not carry any guarantee of income or principal, and are NOT covered by the Philippine Deposit Insurance Corporation. Past performance is not a guarantee of future results. BPI Investment Funds are valued daily using the marked-to-market method.