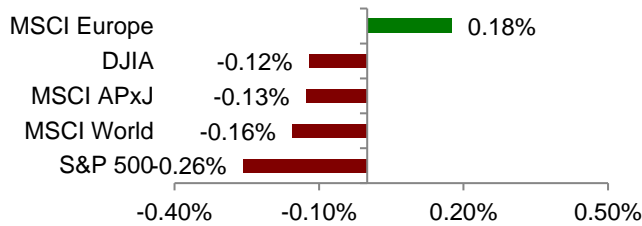


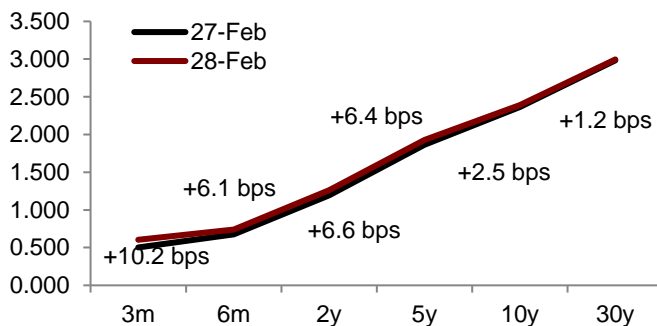
Investors proceeded with caution amid hawkish statements from the Fed and as investors tuned in to Trump's address to Congress. Both US equities and US Treasuries slipped overnight, while European equities bucked the global downtrend, as defense companies rallied.

- ✓ The **local equities index** fell .28% as investors took profits ahead of President Trump's Congress meeting.
- ✓ In the local fixed income market, prices of government securities marginally rose, particularly in the short-end, as investors shortened duration ahead of higher expected inflation. Yields fell by 4.30 bps on average.

Global Equities

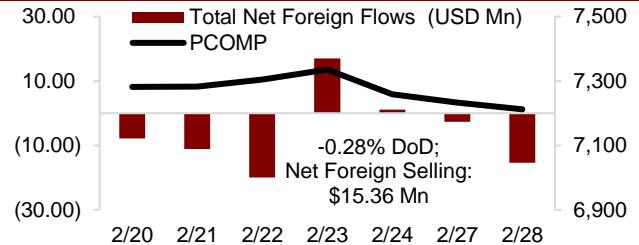


US Treasuries

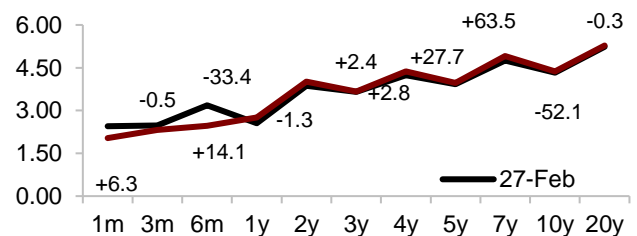


- ✓ The **Philippine peso** traded flat with an upward bias against the Dollar, closing at Php 50.21 despite continued strength in US economic print (durable goods orders, Texas factory activity).
- ✓ The **US dollar** traded marginally down, as markets adopted a wait-and-see approach ahead of key events in March-- the FOMC meeting, the French elections, and new policies by the Trump administration. The DXY slipped -0.01% to 101.12.

PSEi Snapshot



Local Bond Market Movement

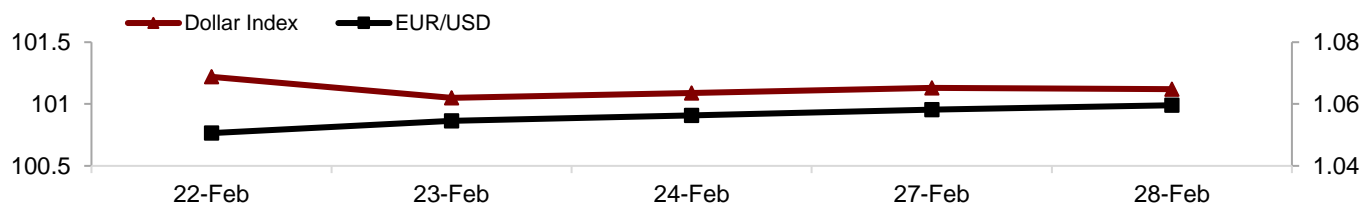


- ✓ **US equities** declined on pent-up selling ahead of Trump's speech to the Congress. The Dow Jones is down 25.2 points to 20,812.24 as the S&P lost 6.11 points to 2,363.64.
- ✓ **European equities** were up, buoyed by the rally in defense companies as investors priced in increases in military spending promised by Trump. The MSCI Europe climbed 4.6 points to 1,514.95.
- ✓ **Asian equities** continued to decline, mirroring cautiousness in Wall Street. The MSCI Asia ex Japan index was down 0.13%.
- ✓ **US Treasuries** turned lower late in the session amid growing expectations for a March rate hike following hawkish statements from Fed members. The 2-year rose 6.6 bps to 1.2601%, while the 10-year rose 2.49 bps to 2.3899%

Foreign Exchange

USD/PHP	Previous Close	50.2700
	Close	50.2100
EUR/USD	Previous Close	1.0582
	Indicative Rate	1.0596

Foreign Exchange



Key Indicators

YIELDS AND PRICES	28-Feb-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.32	-0.16%	0.08%	0.28%	-0.35%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.75	0.20%	0.19%	0.31%	0.38%
ROP2021 (Price)	106.65	(0.06)	0.18	0.69	(1.71)
ROP2034 (Price)	133.23	(0.18)	0.38	1.49	2.76
3-Month US Treasury Yield	0.60	0.10%	0.09%	0.10%	0.44%
3-Month German Treasury Bill Yield	(0.86)	-0.01%	-0.02%	-0.03%	-0.32%
Dubai Crude Oil Spot (\$/bbl)	54.15	-1.13%	-1.01%	-0.15%	68.53%
Gold Spot (\$/oz)	1,248.33	-0.35%	1.02%	4.79%	17.61%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
3/7/2017	CPI YoY	Feb	2.70%
3/7/2017	Foreign Reserves	Feb	81 bn

Developed Markets

Date	Country	Event	Period	Prior
3/1/2017	US	ISM Manufacturing	Feb	111.8
3/1/2017	US	Mortgage Applications	24-Feb	-2.0%
3/1/2017	US	Personal Income	Jan	0.30%

Emerging Markets

Date	Country	Event	Period	Prior
3/1/2017	China	Manufacturing PMI	Feb	51.3
3/1/2017	Indo	CPI YoY	Feb	3.49%

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

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