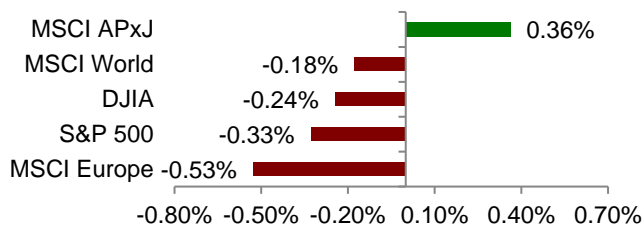


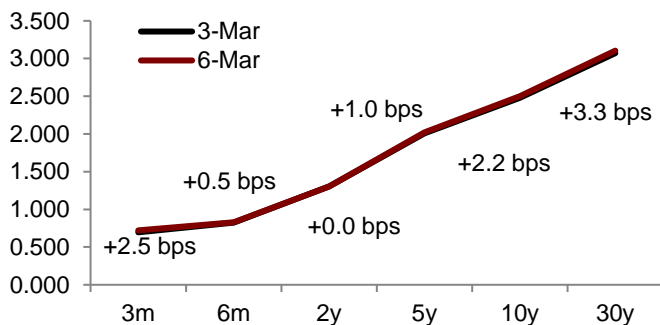
The expected March rate hike continues to have effects on global markets, raising yields both locally and abroad. Results in global equities were mixed, with Asia up on bargain hunting, while Europe and US equities fell on profit-taking ahead of key economic releases and events this week.

- ✓ The **local equities index** was slightly up as the USD pulled back vis-a-vis the PHP. The increase was broad-based with only the industrials (-0.16%) declining. Net foreign buying amounted to USD15.1 Mn.
- ✓ In the **local fixed income market**, prices of government securities continued to fall as more investors priced in a rate hike in the US during the March Fed meeting. On average, yields went up by 0.93 of a basis point led by the belly which was up 10.1 bps. The long-end, on the other hand, was down 13.4 bps.

Global Equities

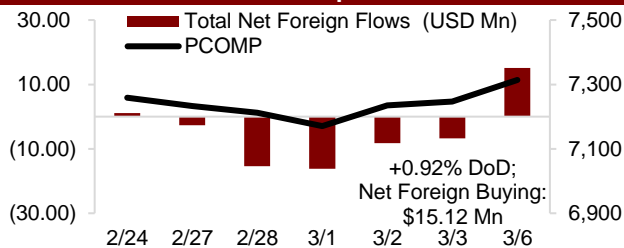


US Treasuries

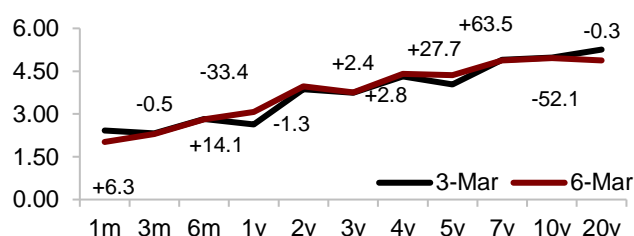


- ✓ The **Philippine peso** strengthened slightly against the dollar as foreign investors bought into the local equities market. This followed the persistent strength of the greenback last week.
- ✓ The **US dollar** strengthened against rivals in ahead of major US economic releases this week, including initial jobless claims and unemployment rate. The DXY closed at 101.64.

PSEi Snapshot



Local Bond Market Movement

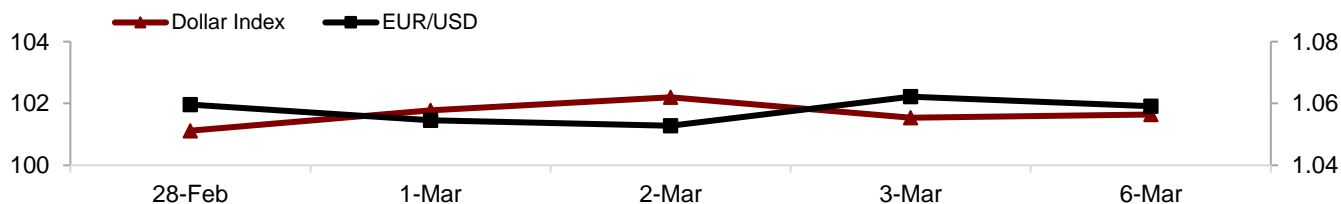


- ✓ The rally of **US equities** was halted by some profit-taking, geopolitical risks, and as investors resumed the vigil for details policies to determine if the uptrend is indeed justified. The Dow Jones corrected 51.37 points to 20,954.34 and the S&P lost 7.81 points and closed at 2,375.31.
- ✓ **European equities** ended lower, with Deutsche Bank's announcement of raising money pulling down the average, tempered by the Standard Life and Aberdeen merger. The MSCI Europe lost 2.94 points to end at 1,524.46.
- ✓ **Asian equities** rebounded after days of weakness despite the continued dollar strength ahead of the Fed meeting. The MSCI Asia ex-Japan was up 0.36% to 407.31.
- ✓ **US Treasuries** declined for a fifth day ahead of the Fed's meeting next week and the expected rate hike. The change was particularly strong on the back-end of the yield curve. The 2-year yield very slightly rose to 1.3053%, while the 10-year yield rose sharply to 2.4997%.

Foreign Exchange

USD/PHP	Previous Close	50.4000
	Close	50.3950
EUR/USD	Previous Close	1.0622
	Indicative Rate	1.0627

Foreign Exchange



Key Indicators

YIELDS AND PRICES	6-Mar-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.30	-0.02%	-0.18%	0.28%	-0.37%
1-Year Philippine Treasury Bill Yield (PDST-R2)	3.07	0.44%	0.51%	0.77%	0.70%
ROP2021 (Price)	106.15	(0.09)	(0.56)	(0.15)	(2.21)
ROP2034 (Price)	132.27	(0.07)	(1.13)	(0.99)	1.80
3-Month US Treasury Yield	0.72	0.03%	0.22%	0.20%	0.56%
3-Month German Treasury Bill Yield	(0.85)	0.00%	0.00%	-0.01%	-0.31%
Dubai Crude Oil Spot (\$/bbl)	53.77	0.04%	-1.83%	-2.18%	67.35%
Gold Spot (\$/oz)	1,225.29	-0.75%	-2.19%	-0.82%	15.44%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
3/10/2017	Exports and Imports YoY	Jan	4.5% / 19.1%
3/14/2017	Unemployment Rate	Jan	4.70%

Developed Markets

Date	Country	Event	Period	Prior
3/9/2017	US	US Initial Jobless Claims SA	Mar 4	244k
3/10/2017	EU	GDP QoQ and YoY	4Q	0.7% / 3.0%
3/8/2017	Japan	GDP SA QoQ	4Q F	0.4%

Emerging Markets

Date	Country	Event	Period	Prior
3/8/2017	China	Foreign Direct Investment YoY	Feb	-9.2%
3/8/2017	Indo	Consumer Confidence Index	Feb	115.3
3/10/2017	India	Industrial Production YoY	Jan	0.4%

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