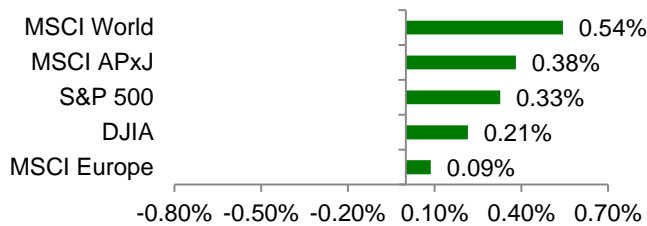


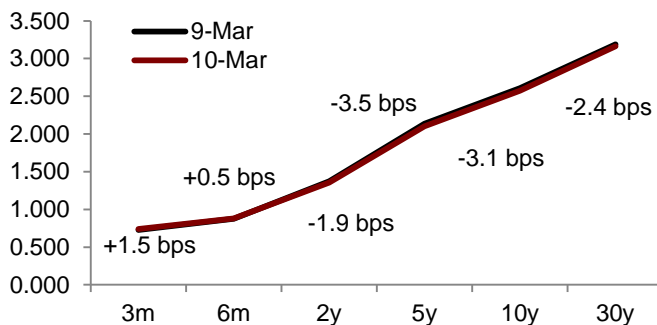
Market players interpreted strong labor data releases in the US and moved ahead of major global events next week, in particular the March FOMC meeting. US Treasury yields slightly declined, as market players took the opportunity to bargain hunt. Meanwhile, US equities managed to inch up following the strong non-farm payrolls report.

- ✓ The **local equities** index declined by 2.045%, closing at 7,146.27 as investors took caution ahead of the U.S nonfarm payrolls report, and amid certainty of an interest rate hike from the Fed.
- ✓ In the **local fixed income** market, yields of government securities fell due to the expected release of the U.S nonfarm payrolls report and the certainty of another interest rate hike from next week's Fed meeting. On average, corporate bond yields went up by 18.48 bps, led by the belly and long-end of the curve at 17.3 bps and 27.1 bps.

Global Equities

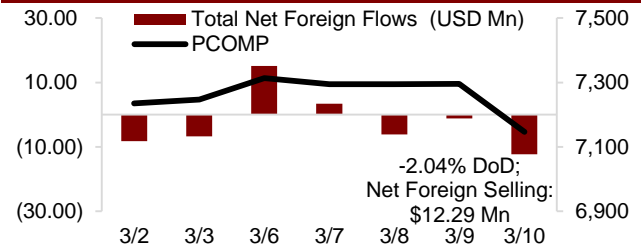


US Treasuries

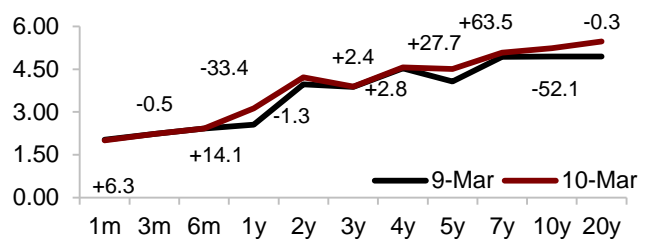


- ✓ The **Philippine peso** traded sideways against the U.S Dollar, with a slight upward bias due to the positive economic news. Merchandise imports increased 9.1% while Philippine trade went up by 14.2% for the month of January 2017.
- ✓ The **US dollar** weakened against major trading peers as market players moved ahead of the FOMC meeting and following Draghi's cautious statements on the state of monetary policy in Europe. The DXY fell 0.59% to 101.25.

PSEi Snapshot



Local Bond Market Movement

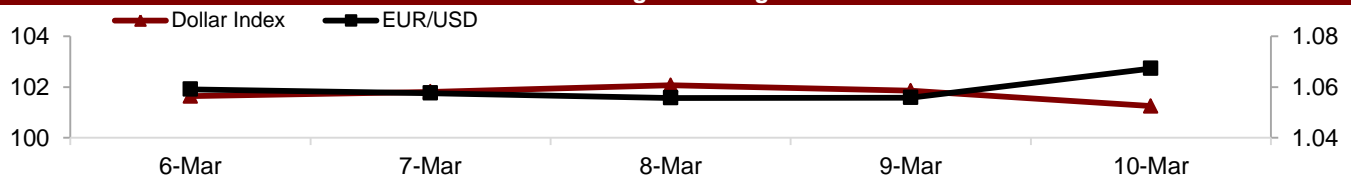


- ✓ **US stocks** were up as following the February non-farm payrolls report (+235K MoM) beating expectations and the January number being revised upward to 238K. The Dow Jones rose 44.79 points to 20,902.98 while the S&P 500 gained 7.73 points to 2,372.60.
- ✓ **European stocks** were slightly up as gains were tempered with talks of increasing interest rates even before the end of the quantitative easing program. The MSCI Europe was up 0.09%.
- ✓ **Asian equities** bounced back amid a sell-off in bonds after ECB hinted of little chance for more stimulus. The MSCI Asia ex-Japan rallied 0.38%.
- ✓ **US Treasuries** recovered, as market players took the opportunity to bargain hunt, despite the strong nonfarm payrolls, as markets digested the ECB President Draghi's cautious stance on inflation. The 2-year yield diminished 1.92 bps to 1.3534%, while the 10-year yield lost 3.08 bps to 2.6053%.

Foreign Exchange

USD/PHP	Previous Close	50.390
	Close	50.360
EUR/USD	Previous Close	1.0558
	Indicative Rate	1.0615

Foreign Exchange



Key Indicators

YIELDS AND PRICES	10-Mar-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.23	-0.01%	-0.09%	0.08%	-0.44%
1-Year Philippine Treasury Bill Yield (PDST-R2)	3.13	0.57%	0.50%	0.21%	0.76%
ROP2021 (Price)	105.47	(0.30)	(0.77)	(0.93)	(2.89)
ROP2034 (Price)	129.93	(0.69)	(2.40)	(3.54)	(0.54)
3-Month US Treasury Yield	0.74	0.02%	0.05%	0.21%	0.58%
3-Month German Treasury Bill Yield	(0.91)	-0.03%	-0.05%	-0.09%	-0.37%
Dubai Crude Oil Spot (\$/bbl)	51.20	-1.23%	-4.74%	-5.99%	59.35%
Gold Spot (\$/oz)	1,204.73	0.30%	-2.42%	-2.34%	13.50%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
3/14/2017	Unemployment Rate	Jan	4.70%
3/15/2017	Overseas Remittances YoY	Jan	3.60%

Developed Markets

Date	Country	Event	Period	Prior
3/14/2017	US	Producer Price Index (PPI) Final Demand MoM and YoY	Feb	0.6% / 1.6%
3/14/2017	EU	GDP QoQ and YoY	4Q	0.7% / 3.0%
3/15/2017	Japan	Industrial Production MoM / YoY	Jan (f)	-25.0%

Emerging Markets

Date	Country	Event	Period	Prior
3/13/2017	China	Fixed Assets Ex Rural YTD YoY	Feb	8.1%
3/15/2017	Indo	Central Bank 7-Day Repo Rate	16-Mar	4.8%
3/14/2017	India	CPI YoY	Feb	3.2%

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

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