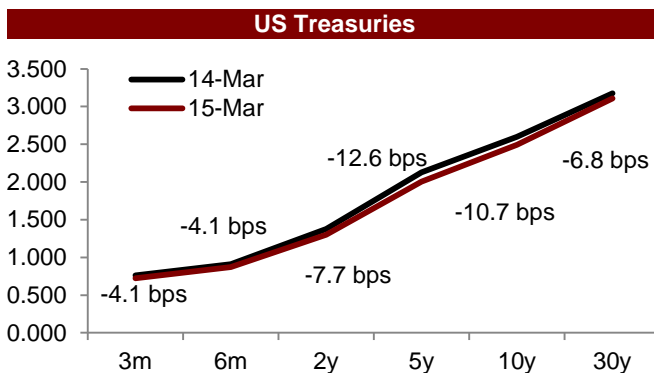
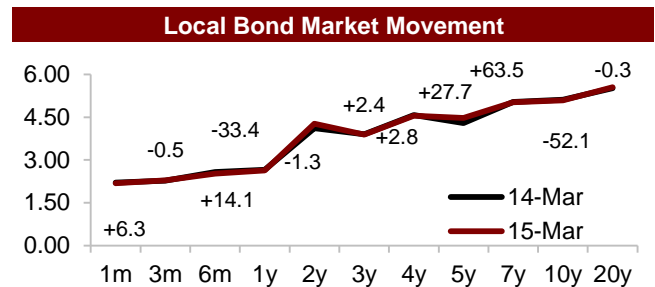
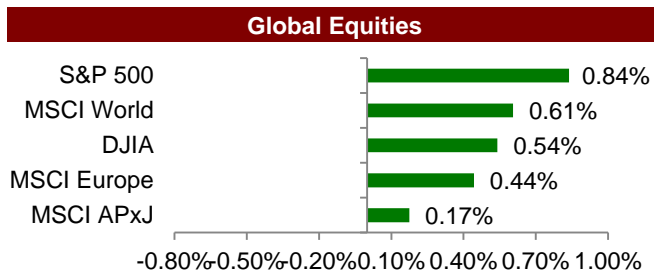
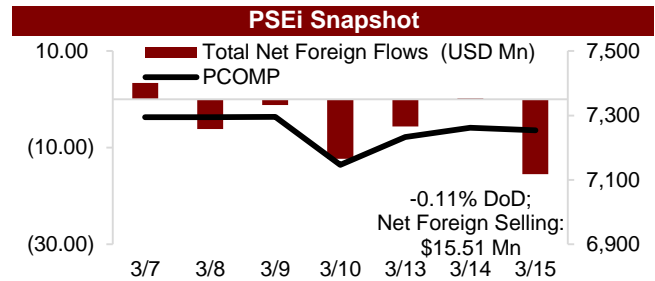


**Global equities advanced as oil prices rebounded and with the Fed interest rate hike being taken as a vote of confidence to US fundamentals and the possible positive spillover to the rest of the world. US Treasuries moved up, as market players priced in the relatively dovish statements by the Fed. As such, the US Dollar weakened vis-a-vis major trading peers.**

- ✓ The **local equities index** slipped by 0.11% to 7,253.79, as investors stayed defensive ahead of key central bank decisions, and driven by the PHP780.5Mn net foreign outflows.
- ✓ In the **local fixed income market**, treasuries fell ahead of the anticipated Fed rate hike, as investors took a defensive stance. On average, treasury yields rose by 1.94 bps, driven by the belly of the curve, which rose 6.1 bps.

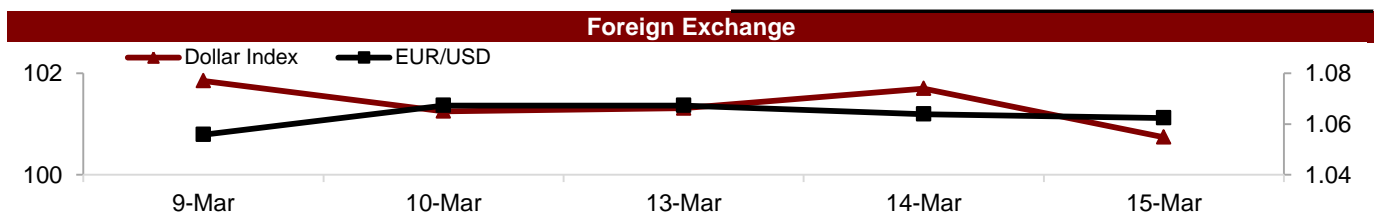


- ✓ **US stocks** continued breaking records with this rally--with the most recent uptick boosted by utility and real estate shares amid the interest rate hike by the Fed. Both the Dow Jones and the S&P500 advanced, by 112.73 and 19.81 points to 20,950.10 to 2,385.26, respectively.
- ✓ **European stocks** rose on the back of a rebound in oil prices. The MSCI Europe gained 0.44%.
- ✓ **Asian equities** slightly increased amid the vigil ahead of the Fed meeting and political events in Europe, and as oil prices rose. The MSCI Asia ex-Japan ended 0.17% higher.
- ✓ **US Treasuries** rallied following the outcome of the March FOMC meeting where the Fed hiked interest rates by 25 bps, as expected. However, market players focused on the Fed's economic forecasts, which were largely unchanged from the December meeting. On average, the yield curve fell 7.65 bps led by the 10.72 bps decline in 10-year yields to 2.4930%.

- ✓ The **Philippine peso** traded sideways with an upward bias on the back of strong remittances data, which showed higher than expected overseas remittances. The currency ended at 50.340 against the US dollar.
- ✓ The **US dollar** continued to weaken as market players took cue from the outcome of the Fed meeting with some market players taking the language of the Fed as dovish. The DXY lost 0.94% to 100.74.

### Foreign Exchange

|         |                 |        |
|---------|-----------------|--------|
| USD/PHP | Previous Close  | 50.360 |
|         | Close           | 50.340 |
| EUR/USD | Previous Close  | 1.0639 |
|         | Indicative Rate | 1.0631 |



## Key Indicators

| YIELDS AND PRICES                               | 15-Mar-17 | DoD    | WoW    | MoM    | YTD    |
|---|-----------|--------|--------|--------|--------|
| 91-Day Philippine Treasury Bill Yield (PDST-R2) | 2.29      | 0.01%  | 0.01%  | 0.06%  | -0.38% |
| 1-Year Philippine Treasury Bill Yield (PDST-R2) | 2.64      | -0.02% | 0.08%  | 0.37%  | 0.26%  |
| ROP2021 (Price)                                 | 105.55    | 0.04   | (0.48) | (0.76) | (2.81) |
| ROP2034 (Price)                                 | 130.25    | 0.03   | (1.28) | (2.57) | (0.22) |
| 3-Month US Treasury Yield                       | 0.72      | -0.04% | 0.01%  | 0.19%  | 0.56%  |
| 3-Month German Treasury Bill Yield              | (0.91)    | 0.01%  | -0.02% | -0.03% | -0.37% |
| Dubai Crude Oil Spot (\$/bbl)                   | 49.87     | -0.52% | -7.46% | -6.92% | 55.21% |
| Gold Spot (\$/oz)                               | 1,219.68  | 1.72%  | 0.94%  | -1.14% | 14.91% |

## Upcoming Economic Releases

### Philippines

| Date      | Event   | Period | Prior       |
|-----------|---|--------|-------------|
| 3/15/2017 | Overseas Remittances YoY                                  | Jan    | 3.60%       |
| 3/23/2017 | BSP Overnight Borrowing / Standing Overnight Deposit Rate | N/A    | 3.0% / 2.5% |

### Developed Markets

| Date      | Country | Event                                       | Period | Prior         |
|-----------|---------|---|--------|---------------|
| 3/16/2017 | US      | FOMC Rate Decision (Lower and Upper Bounds) | N/A    | 0.50% / 0.75% |
| 3/16/2017 | EU      | GDP QoQ and YoY                             | 4Q     | 0.7% / 3.0%   |
| 3/22/2017 | Japan   | Exports / Imports YoY                       | Feb    | 1.3% / 8.5%   |

### Emerging Markets

| Date        | Country | Event                                     | Period | Prior       |
|-------------|---------|---|--------|-------------|
| 3/26/2017   | China   | Industrial Profits YoY                    | Feb    | 2.3%        |
| 3/16/2017   | Indo    | Bank of Indonesia 7-Day Reverse Repo Rate | 16-Mar | 4.75%       |
| 3/15 - 3/31 | India   | Current Account Balance                   | 4Q     | -USD 3.4 Bn |

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

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