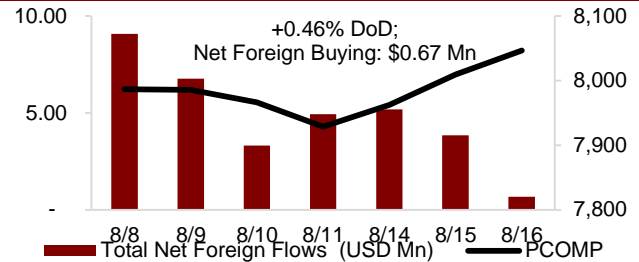


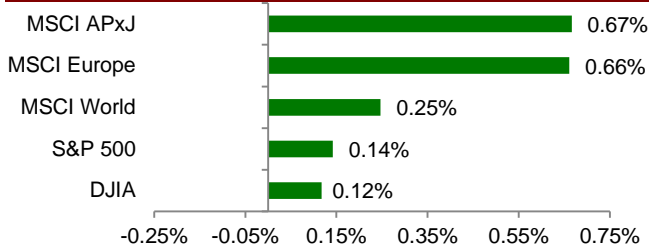
The dovish language of the minutes of latest meeting of the Federal Open Market Committee of the Federal Reserve benefitted US Treasuries and brought some weakness to the dollar. Equity markets advanced on easing geo-political risk and better-than-expected economic data.

- ✓ The **local equities** market was flat with a slight upward bias as investors continued to digest 2Q17 earnings. SM's in-line results failed to provide a stronger uplift for the index. The PSEI rose by 47.29 points or 0.59%, closing at 8,009.41.
- ✓ In the **local fixed income** market, prices of government securities marginally rose on the back of stronger-than-expected overseas remittances data. On average, yields fell by 0.95 bps. The change was led by the short-end which fell by 7.20 bps.

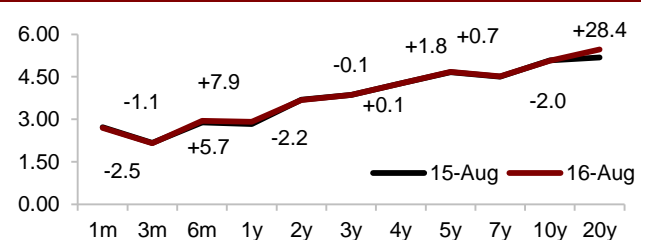
PSEI Snapshot



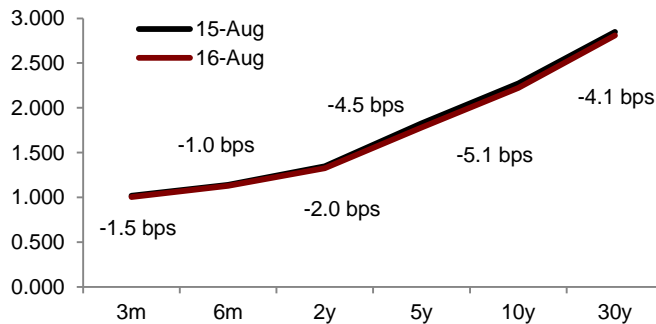
Global Equities



Local Bond Market Movement



US Treasuries



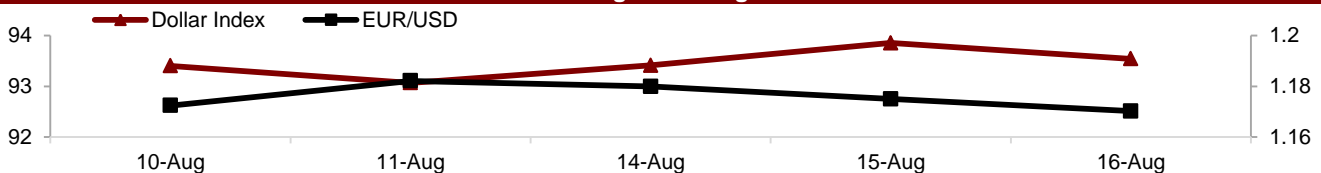
- ✓ **US equities** edged up, with the Dow Jones Industrial Average climbing back to the 22,000-level after FOMC minutes suggested uncertainty on the timing of future interest rate hikes. The DJIA closed at 22,024.87 (+0.12% DoD) while the S&P 500 was at 2,468.11 (+0.14% DoD).
- ✓ **European equities** advanced, boosted by the weak euro and the rally in energy names as oil price increased. Markets also saw the year-to-date GDP growth print for the euro area at 2.2% YoY, with that in Italy at a six-year high at 1.5%. The MSCI Europe closed at 127.94, up 0.66%.
- ✓ **Asian shares** rose as selling pressures abated with the calming of the US-North Korea strife. The MSCI Asia Pacific ex-Japan ended 0.67% higher at 524.07.
- ✓ **US Treasury yields** fell after odds of another rate hike within the year decreased, prompting investors to purchase fixed income securities. On average, yields fell 3.05 bps, with 10-year yields falling 5.08 bps to 2.22%.

- ✓ The **Philippine peso** continued to weaken against the dollar following a statement from the Fed of the possibility of another rate hike within the year. The USD/PHP gained 0.51% to 51.340.
- ✓ The **US dollar** weakened overnight as investors reviewed the FOMC minutes that showed poor inflation continued to weigh on the Fed's interest rate hike timeline, and indicated a drawdown of the Fed's balance sheet soon. The DXY closed at 93.541 (-0.33% DoD).

Foreign Exchange

USD/PHP	Previous Close	51.340
	Close	51.350
EUR/USD	Previous Close	1.1750
	Indicative Rate	1.1735

Foreign Exchange



Key Indicators

YIELDS AND PRICES	16-Aug-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.16	-0.01%	-0.01%	-0.67%	-0.51%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.91	0.08%	0.03%	0.04%	0.54%
ROP2021 (Price)	106.40	0.00	(0.00)	0.19	(1.96)
ROP2034 (Price)	134.52	(0.02)	(0.13)	1.25	4.05
3-Month US Treasury Yield	1.00	-0.02%	-0.04%	-0.03%	0.84%
3-Month German Treasury Bill Yield	(0.68)	-0.01%	0.01%	-0.02%	-0.16%
Dubai Crude Oil Spot (\$/bbl)	49.75	0.61%	-2.26%	5.07%	54.84%
Gold Spot (\$/oz)	1,283.27	0.92%	0.46%	4.44%	20.90%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
8/17/2017	GDP YoY	2Q	6.4%
08/18-08/31	Budget Balance PHP	July	-90.9 Bn

Developed Markets

Date	Country	Event	Period	Prior
8/17/2017	US	Initial Jobless Claims	12-Aug	244k
8/17/2017	Japan	Trade Balance	July	¥439.9Bn
8/17/2017	EU	CPI YoY / MoM	July	1.3% / 0.0%

Emerging Markets

Date	Country	Event	Period	Prior
8/18/2017	Thailand	Foreign Reserves	11-Aug	\$190.9 Bn
8/18/2017	Malaysia	GDP YoY / QoQ	2Q	5.6% / 1.8%
8/22/2017	Mexico	GDP YoY / QoQ	2Q	1.8% / 0.6%

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