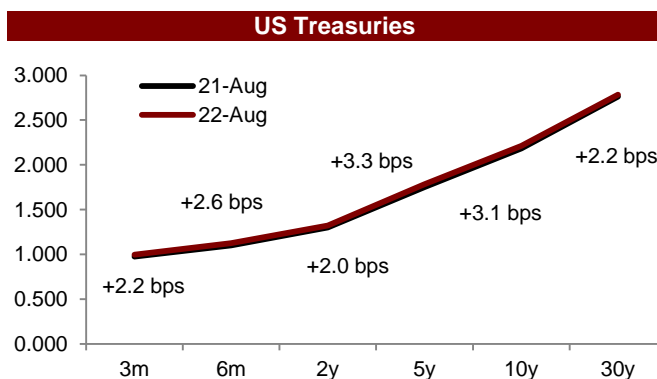
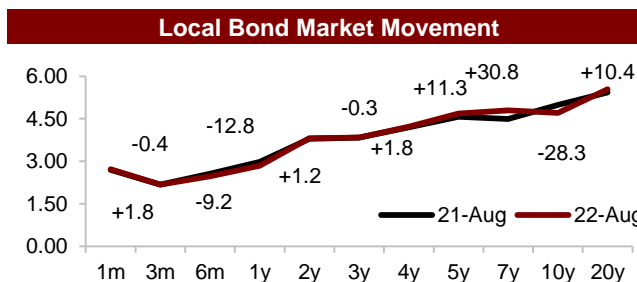
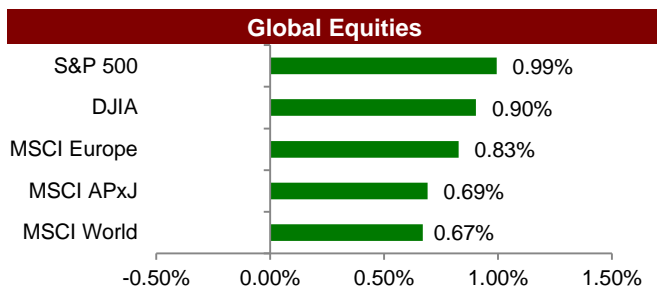
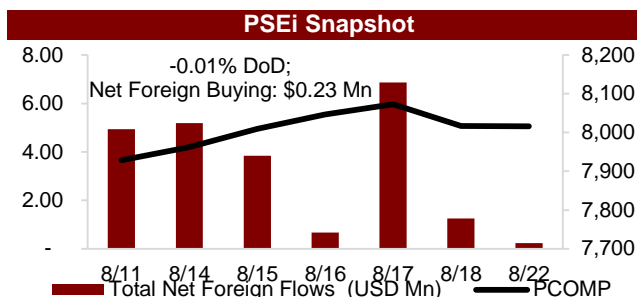


**Renewed optimism among investors pushed risk assets higher on resurfacing hopes for the US tax reform, and indicators that the Euro area is at its best economic condition since 2008. US Treasuries and the dollar took the backseat to await direction from the conference in Jackson Hole, Wyoming, late in the week.**

- ✓ The **local equities** market moved sideways as investors continued to wait for positive catalysts before pushing to the 8,100 resistance. This came following mostly in-line earnings releases and increased political risk, while the tax reform continues to be debated.
- ✓ In the **local fixed income** market, yields rose 0.53 bps on average, led by the belly which rose 8.97 bps, after Finance Undersecretary Chua highlighted a potential downgrade should tax reform be diluted. This was offset by the 10-year yield falling to 4.71% from 4.99%, reflecting the results of the recent government bond auction.

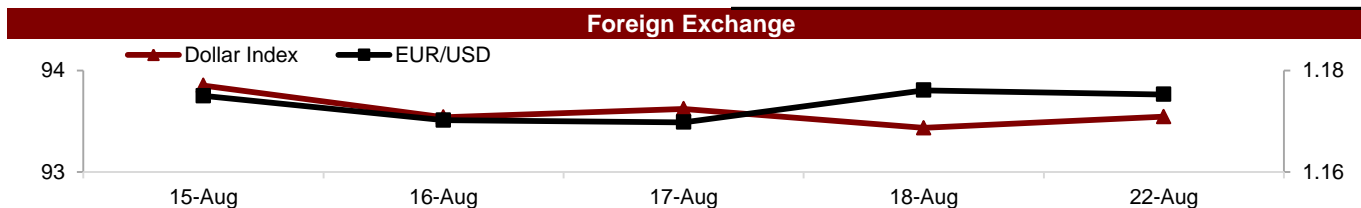


- ✓ **US equities** edged higher after news on the progress of the US tax reform surfaced, pushing indices to their highest one-day gain in months. The Dow Jones Industrial Average closed at 21,899.89 (+0.90% DoD) while the SPX was at 2,452.51 (+0.99% DoD).
- ✓ **European equities** were up in light of the absence of troubling political news, and as the indicator of the Euro area conditions shows that the economy is at its best since 2008. The MSCI Europe advanced 0.83% to 126.80.
- ✓ **Asian shares** rose as optimism abounds globally on news from the developed markets, and with investors awaiting the central bank officials gathering in the US. The MSCI Asia Pacific rebounded to 527.67, up 0.69%.
- ✓ **US Treasury yields** gained in the absence of major economic data releases, ahead of speeches by ECB President Mario Draghi on Wednesday and US Federal Reserve Chair Janet Yellen in the annual central banking conference in Jackson Hole on Thursday. On average, yields rose 2.57 bps, with 10-year yields rising 3.14 bps to 2.213%.

### Foreign Exchange

Pair	Previous Close	Close
USD/PHP	51.490	51.240
EUR/USD	1.1758	1.1771

Indicative Rate: 1.1771



## Key Indicators

YIELDS AND PRICES	22-Aug-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.17	-0.00%	0.00%	-0.62%	-0.49%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.85	-0.13%	0.01%	-0.17%	0.48%
ROP2021 (Price)	106.31	(0.05)	(0.08)	(0.19)	(2.05)
ROP2034 (Price)	134.84	0.07	0.31	0.06	4.37
3-Month US Treasury Yield	1.00	0.02%	-0.02%	-0.16%	0.83%
3-Month German Treasury Bill Yield	(0.68)	0.00%	-0.01%	0.02%	-0.16%
Dubai Crude Oil Spot (\$/bbl)	50.19	-1.47%	1.50%	4.24%	56.21%
Gold Spot (\$/oz)	1,285.14	-0.52%	1.07%	2.40%	21.08%

## Upcoming Economic Releases

### Philippines

Date	Event	Period	Prior
8/23-8/24	Budget Balance PHP	July	-90.9 Bn
8/31/2017	Bank Lending YoY	July	18.3%

### Developed Markets

Date	Country	Event	Period	Prior
8/24/2017	US	Initial Jobless Claims	19-Aug	232k
8/25/2017	Japan	Tokyo CPI Ex-Fresh Food YoY	August	0.2%
8/28/2017	Europe	M3 Money Supply YoY	July	5.0%

### Emerging Markets

Date	Country	Event	Period	Prior
8/22-8/24	China	Foreign Direct Investment YoY CNY	July	2.3%
8/24/2017	Mexico	Bi-Weekly CPI	15-Aug	0.25%
8/25/2017	Thailand	Foreign Reserves	18-Aug	\$192.2b

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

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