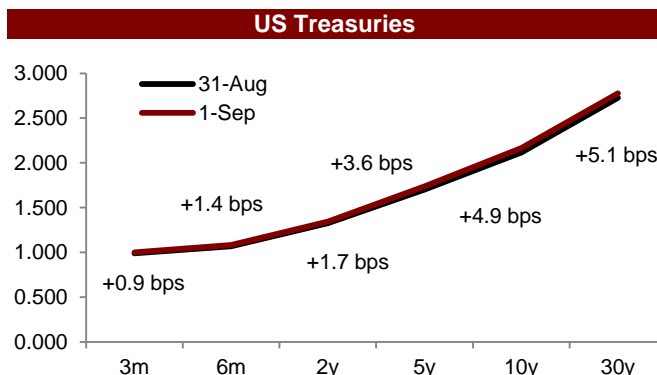
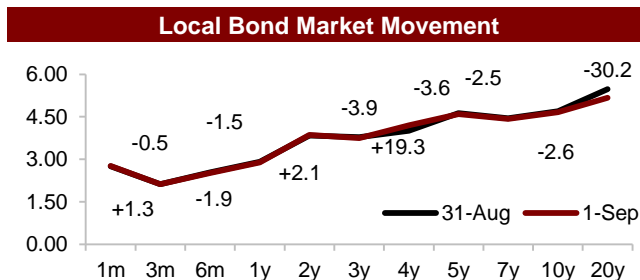
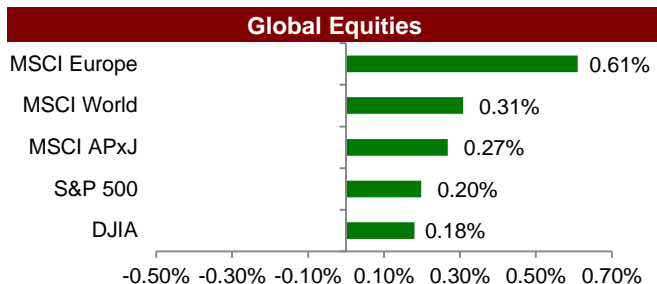
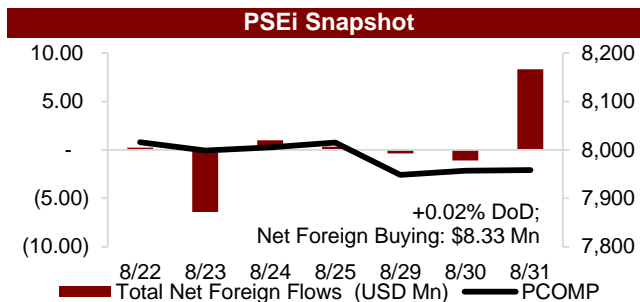


**Investors took position on equities markets on the back of better-than-expected manufacturing data from the United States and China, ignoring Non-Farm Payroll disappointments. Gains in Europe were supported by expectations of a dovish ECB on its Sept 7 meeting, as the EURUSD appreciated significantly to above the 1.75 level.**

- ✓ The **local equities market** ended flat as investors took caution ahead of the upcoming U.S nonfarm payrolls report released last Friday (US time). The PSEI increased by 1.84 points or 0.02%, closing at 7,958.57.
- ✓ In the **local fixed income market**, yields fell as investors responded to the term deposit facility (TDF) reduction by the BSP to Php150 billion from Php180 billion, beginning on Wednesday next week. Yields fell by an average of 2 bps, led by the long-end of the curve which declined by 10.94 bps.

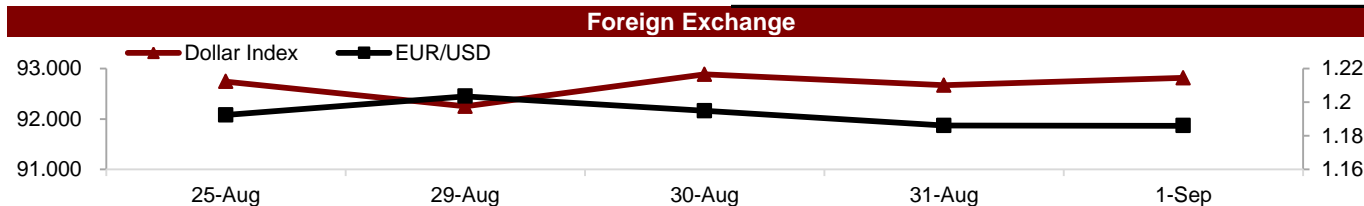


- ✓ **US equities** initially slumped after the release of worse-than-expected data on nonfarm payrolls (actual: 156,000; consensus: 180,000), the unemployment rate (actual: 4.4%; consensus: 4.3%) and average hourly earnings MoM (actual: 0.1%; estimate: 0.2%). However, both indices pared losses on the release of upbeat economic data on ISM manufacturing (actual: 58.8; consensus: 56.5). The DJIA closed at 21,987.56 (+0.18% DoD) while the S&P 500 was at 2,476.55 (+0.20% DoD).
- ✓ **European equities** rose as investors price-in potentially dovish ECB statements during its Sept 7 meeting. Investors were expecting the central bank to delay tapering talk to December. The MSCI Europe closed higher to 126.96, up 0.61%.
- ✓ **Asian shares** rose on slight risk taking amid positive sentiment on global trade driven by better-than-expected Chinese manufacturing data. The Caixin China PMI Manufacturing Index came in at 51.6 compared to consensus estimates at 51.0. The MSCI APxJ gained 0.27% to 533.96.
- ✓ **US Treasury yields** increased as investors shrug off disappointing data on US labor market and focused on strong manufacturing and consumer sentiment data. US yields rose by an average of 2.92 bps, led by the long end. The US 10-yr yields ended at 2.1657% (+4.87 bps).

- ✓ The **Philippine peso** depreciated against the US Dollar due to the strong 2nd quarter GDP growth registered in the U.S (+3%). The USD/PHP slipped 0.08%, closing at the 51.17 level.
- ✓ The **US dollar** rose on the back of upbeat leading economic indicators despite Non Farm Payrolls (NFP) disappointments. The US Dollar Index inched up to 92.814 (+0.16% d-o-d) while the EURUSD continued to pull back after reaching resistance of 1.20 a few days prior. The EURUSD closed at 1.1860.

### Foreign Exchange

USD/PHP	Previous Close	51.130
	Close	51.170
EUR/USD	Previous Close	1.1948
	Indicative Rate	1.1894



## Key Indicators

YIELDS AND PRICES	1-Sep-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.12	0.00%	-0.04%	-0.05%	-0.54%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.89	0.00%	0.03%	-0.00%	0.52%
ROP2021 (Price)	106.48	(0.00)	0.10	0.03	(1.89)
ROP2034 (Price)	135.64	0.13	0.50	1.15	5.18
3-Month US Treasury Yield	1.00	0.01%	-0.00%	-0.07%	0.84%
3-Month German Treasury Bill Yield	(0.69)	0.02%	-0.02%	0.00%	-0.17%
Dubai Crude Oil Spot (\$/bbl)	50.86	2.40%	0.18%	-1.03%	58.29%
Gold Spot (\$/oz)	1,324.90	0.26%	2.60%	4.42%	24.82%

## Upcoming Economic Releases

### Philippines

Date	Event	Period	Prior
9/4/2017	Nikkei Philippines PMI Mfg	Aug	52.8
9/5/2017	CPI YoY	Aug	2.8%

### Developed Markets

Date	Country	Event	Period	Prior
9/5/2017	US	Factory Orders	July	3.0%
9/5/2017	Europe	Markit Eurozone Services PMI	Aug F	54.9
9/8/2017	Japan	GDP SA QoQ	2Q F	1.0%

### Emerging Markets

Date	Country	Event	Period	Prior
9/5/2017	China	Caixin China PMI Services	August	51.9
9/4/2017	Singapore	Purchasing Managers Index	August	51.0
9/5/2017	India	Nikkei India PMI Composite	August	46.0

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