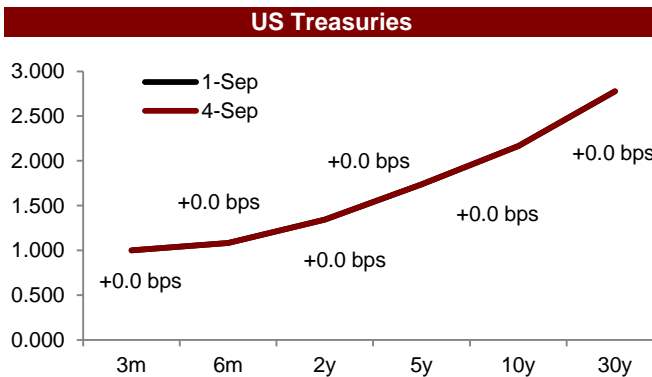
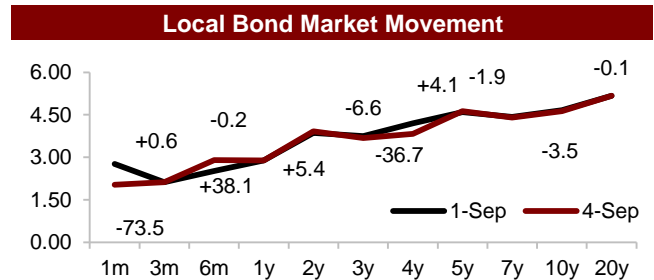
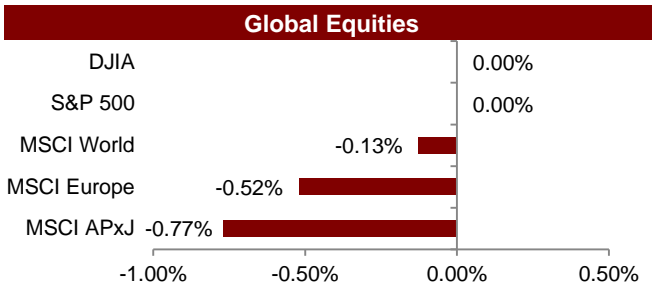
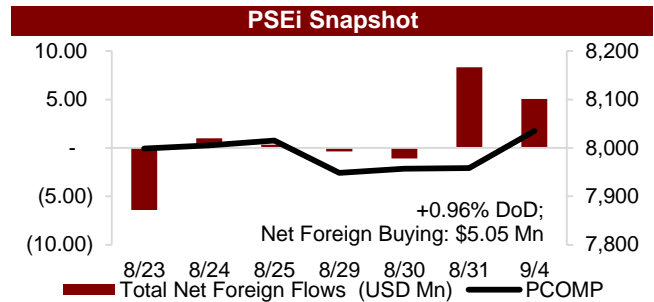


Markets traded on relatively thin volumes as the U.S. markets were closed for the Labor Day holiday last Monday. European and Asian stocks, as well as the US dollar, fell as investors were on a risk-off sentiment following geopolitical tensions caused by North Korea's H-bomb test.

- ✓ The **local equities market** ended higher as it tracked positivity from the US, after the latter pared weakness from the jobs data by registering upbeat ISM Manufacturing data. Bolstered by bargain-hunting, the PSEi increased by 76.63 points or 0.96%, closing at 8,035.20.
- ✓ In the **local fixed income market**, yields fell with most tenors falling on done-deals as market participants resorted to safe haven assets amid increased fears on North Korea's missile capability. Yields fell by an average of 6.20 bps, led by the short-end of the curve, which declined by 8.76 bps.

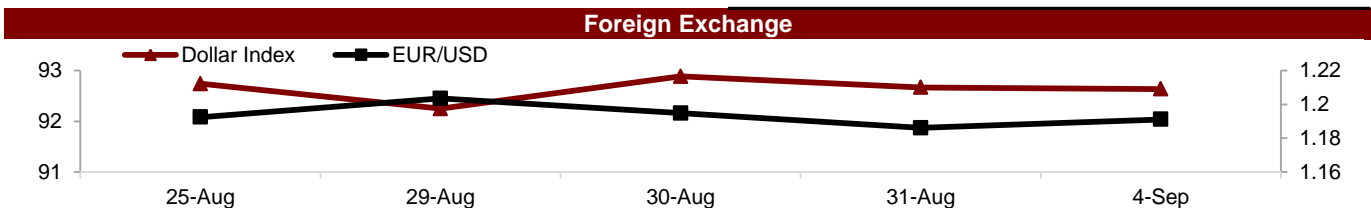


- ✓ The **Philippine peso** ended flat as investors stayed defensive in anticipation of the release of the inflation print for August (bloomberg consensus at 3.0%). The USD/PHP strengthened 0.01%, closing at the 51.17 level.
- ✓ The **US dollar** slightly fell ahead of the ECB meeting this Thursday. The DXY decreased by 0.19% to 92.668 after investors turned to safe-haven currencies, like the EURUSD, due to geopolitical turmoil. The EURUSD rose to 1.1915, up by 0.46%.

- ✓ **US equities** remained unchanged as both US stock markets were closed in celebration of the US Labor Day holiday.
- ✓ **European equities** fell despite solid second quarter earnings after heightened geopolitical tension rattled the global equity markets. The MSCI Europe closed lower to 126.30, down 0.52%.
- ✓ **Asian shares** closed lower after North Korea's nuclear testing announcement sent jitters across markets. The MSCI APxJ shed 0.77% to 529.85.
- ✓ **US Treasury yields** remained unchanged as US markets were closed for the US Labor Day holiday.

| Pair | Previous Close | Close |
|---------|----------------|--------|
| USD/PHP | 51.170 | 51.165 |
| EUR/USD | 1.1860 | 1.1915 |

Indicative Rate: 1.1915



#N/A

Key Indicators

| YIELDS AND PRICES | 4-Sep-17 | DoD | WoW | MoM | YTD |
|---|----------|--------|--------|--------|--------|
| 91-Day Philippine Treasury Bill Yield (PDST-R2) | 2.13 | 0.01% | -0.03% | -0.00% | -0.54% |
| 1-Year Philippine Treasury Bill Yield (PDST-R2) | 2.89 | -0.00% | 0.03% | 0.02% | 0.52% |
| ROP2021 (Price) | 106.44 | (0.03) | 0.04 | (0.03) | (1.92) |
| ROP2034 (Price) | 135.56 | (0.08) | 0.40 | 0.67 | 5.09 |
| 3-Month US Treasury Yield | 1.00 | 0.00% | -0.02% | -0.07% | 0.84% |
| 3-Month German Treasury Bill Yield | (0.72) | -0.03% | -0.08% | -0.02% | -0.20% |
| Dubai Crude Oil Spot (\$/bbl) | 51.00 | 0.28% | 0.45% | 1.47% | 58.73% |
| Gold Spot (\$/oz) | 1,332.35 | 0.56% | 1.83% | 5.85% | 25.53% |

Upcoming Economic Releases

Philippines

| Date | Event | Period | Prior |
|----------|-------------|--------|-------|
| 9/5/2017 | CPI NSA MoM | Aug | 0.3% |
| 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 Composite | August | 51.9 |
| 9/8/2017 | Thailand | Foreign Reserves | Sept | \$195bn |
| 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