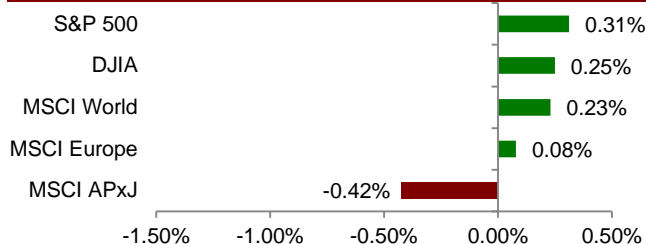


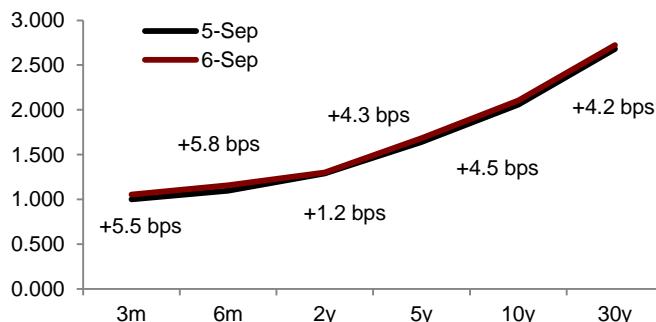
The US Dollar and U.S. equities rallied while US Treasuries fell as Trump supported a 3-month extension of the debt ceiling limit, and as economic data from the Federal Reserve's Beige Book was slightly better-than-expected. On the other hand, investors in Asia and Europe remained cautious on geopolitical risks and adopted a wait-and-see behavior ahead of the ECB meeting.

- ✓ The **local equities market** trended higher after the release of the Caixin PMI Composite showed positive developments in China. The figure rose to its fastest level in 6 months; consequently leading to improved economic outlook for Asia. The PSEi increased by 14.15 points or 0.18%, closing at 8,049.35.
- ✓ In the **local fixed income market**, yields marginally rose as there was little appetite for the issuance of the BSP's 28 day term deposit. This comes even after volume was cut from 110 bn from 140 bn previously. The average rate of 28-day term deposits increased to 3.4910% from 3.4961% week-on-week. Yields grew by an average of 1.86 bps, led by the short-end of the curve, which ascended 4.38 bps.

Global Equities

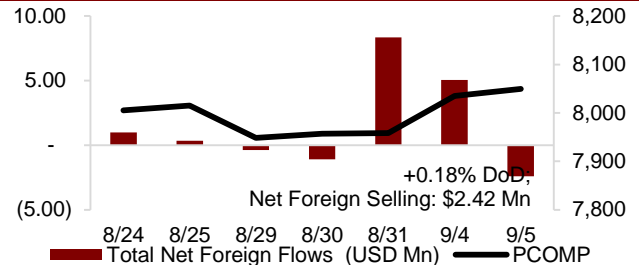


US Treasuries

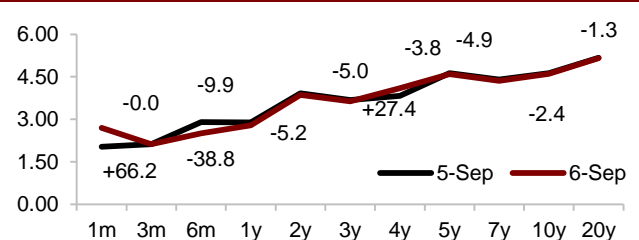


- ✓ The **Philippine peso** climbed on the back of dollar weakness after Federal Reserve Governor Lael Brainard stated dovish comments, particularly about being cautious with regard to interest rate hikes in the short term. The USD/PHP strengthened 0.05%, closing at the 51.14 level.
- ✓ The **US dollar** initially fell as hawkish Fed Vice Chairman Stanley Fischer mentioned resigning in October. However, the US Dollar was able to pare losses after the announcement of a 3-month extension of the US debt ceiling. The US Dollar Index closed at 92.290 (+0.04%) while the EURUSD fell to 1.1898 (-0.11%).

PSEi Snapshot



Local Bond Market Movement

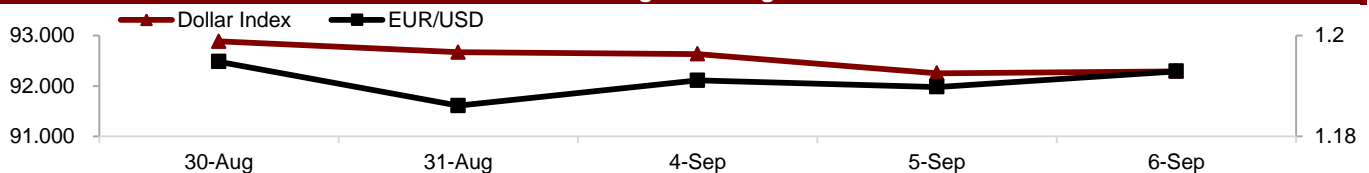


- ✓ **US equities** mildly recovered as the Federal Reserve's Beige Book survey showed a moderate expansion in US economic growth and an increase in consumer spending. The DJIA closed at 21,807.64 (+0.25% DoD) while the S&P 500 was at 2,465.85 (+0.31% DoD).
- ✓ **European equities** were relatively flat ahead of the ECB meeting where investors await cues from ECB members regarding the tapering of its balance sheet. The MSCI Europe closed higher to 126.22, up 0.08%.
- ✓ **Asian shares** slumped as geopolitical tensions caused by North Korea's H-bomb test continue to weigh on investors' concerns. The MSCI APxJ lost 0.42% to 529.15.
- ✓ **US Treasury yields** increased on average after Trump supported a 3-month extension of the existing US debt ceiling, partially abating investors' concerns over debt repayment in the short-term. US yields rose by 4.24 bps on average, led by the short end, with 3-month yields increasing by 5.5bps and 6-month yields increasing by 5.8 bps. Meanwhile, the US 10-yr yield inched up by 4.5 bps to close at 2.060%.

Foreign Exchange

USD/PHP	Previous Close	51.165
	Close	51.140
EUR/USD	Previous Close	1.1911
	Indicative Rate	1.1898

Foreign Exchange



Key Indicators

YIELDS AND PRICES	6-Sep-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.09	-0.03%	-0.03%	-0.04%	-0.57%
1-Year Philippine Treasury Bill Yield (PDST-R2)	3.11	0.32%	0.20%	0.24%	0.74%
ROP2021 (Price)	106.60	0.05	0.14	0.14	(1.76)
ROP2034 (Price)	136.17	0.54	0.89	1.28	5.70
3-Month US Treasury Yield	1.05	0.05%	0.04%	-0.02%	0.89%
3-Month German Treasury Bill Yield	(0.73)	-0.04%	-0.02%	-0.03%	-0.21%
Dubai Crude Oil Spot (\$/bbl)	52.40	2.44%	4.59%	4.26%	63.09%
Gold Spot (\$/oz)	1,334.20	-0.41%	1.95%	5.99%	25.70%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
9/12/2017	Exports YoY	Jul	0.8%
9/12/2017	Trade Balance	Jul	-2147m

Developed Markets

Date	Country	Event	Period	Prior
9/7/2017	US	Initial Jobless Claims	Sep	-236k
9/7/2017	Europe	GDP SA QoQ	2Q F	0.6%
9/8/2017	Japan	GDP SA QoQ	2Q F	1.0%

Emerging Markets

Date	Country	Event	Period	Prior
9/8/2017	China	Trade Balance	August	\$46.74b
9/8/2017	Thailand	Foreign Reserves	Sept	\$195bn
9/11/2017	India	Exports YoY	August	3.9%

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