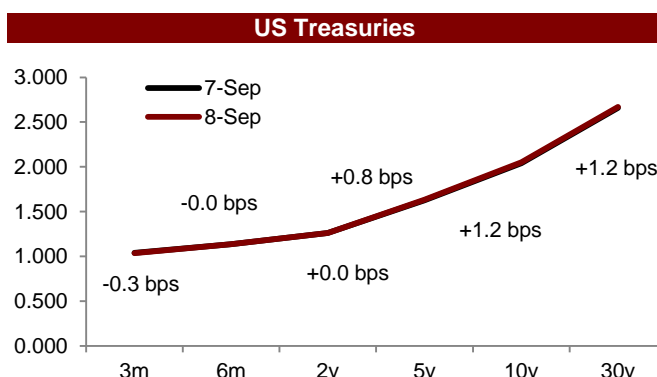
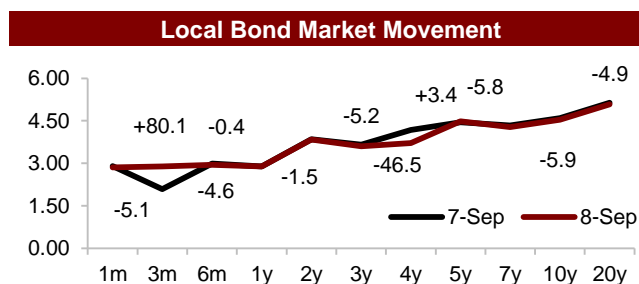
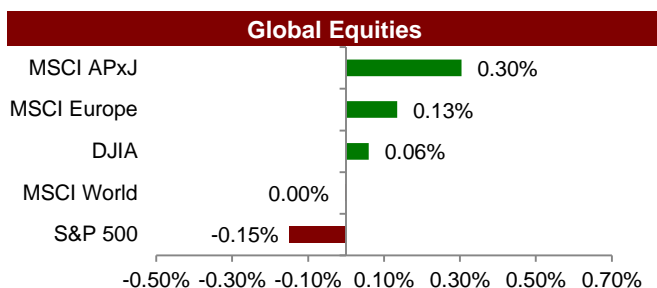
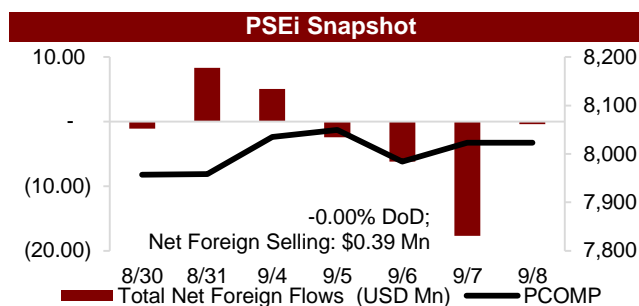


Global equities ended mixed ahead of a possible missile launch in North Korea and the release of inflation in China over the weekend. US Treasury yields and the dollar rose amid hawkish comments from New York President Dudley, robust economic data and the passage of the US debt limit.

- ✓ The **local equities market** ended flat as positive sentiment from the ECB's dovish tone was offset by concerns with respect to the possibility of another missile test in North Korea. The PSEi fell by 0.23 points or -0.003%, closing at 8,022.75.
- ✓ In the **local fixed income market**, prices of government securities fell as investors took caution ahead of the P15 billion T-bill auction to be held on Monday next week. Yields went up by an average of 0.30 bps, led by the short-end of the curve, which increased by 17.49 bps.

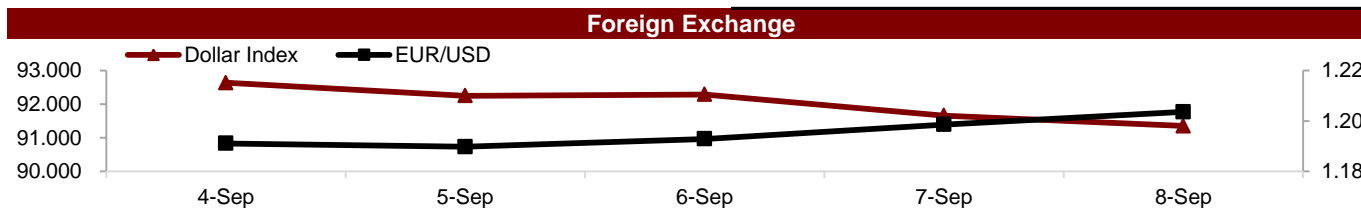


- ✓ **US equities** ended mixed as investors stayed on the sidelines ahead of the arrival of Hurricane Irma and potential missile tests in North Korea over the weekend. Paring negativity was the passage of the US debt limit by the House of Representatives on Friday. The DJIA closed at 21,794.79 (+0.06% DoD) while the S&P 500 was at 2,461.43 (-0.15% DoD).
- ✓ **European equities** mounted after central bankers generally agreed on stimulus reduction for the Eurozone on the conclusion of the ECB's two-day meeting. The MSCI Europe closed higher to 126.72, up 0.13%.
- ✓ **Asian shares** advanced ahead of the release of China's inflation rate on Saturday. Markets are pricing in a 1.6% inflation YoY for August, higher than the 1.4% reported in July. The MSCI APxJ gained 0.30% to 533.82.
- ✓ **US Treasury yields** rose following comments by New York President Dudley of a "relatively soon" unwinding of the FED's balance sheet. He also stated that hurricanes would be net beneficial in the long run as historically, economies tend to bounce back after a big catastrophe. US yields increased by an average of 0.49 bps, led by the long-end. Meanwhile, the US 10-yr yield inclined 1.2 bps to close at 2.051%.

Foreign Exchange

USD/PHP	Previous Close	50.930
	Close	50.870
EUR/USD	Previous Close	1.2023
	Indicative Rate	1.2060

- ✓ The **Philippine peso** strengthened due to dollar weakness given relatively disappointing economic data releases and concerns on execution of Trump's reforms. The PHP rose by 0.12%, closing at the 50.87 level.
- ✓ The **US dollar** depreciated despite better-than-expected economic data in the US, as wholesale inventories grew 0.6% in July, beating market estimates of 0.4%. Further, consumer credit also rose sharply, jumping to \$18.5 billion in July from \$11.8 billion in June. The US Dollar Index closed at 91.35 (-0.34%).



Key Indicators

YIELDS AND PRICES	8-Sep-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.89	0.80%	0.77%	0.71%	0.22%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.89	-0.00%	-0.01%	-0.18%	0.51%
ROP2021 (Price)	106.63	0.07	0.15	0.20	(1.74)
ROP2034 (Price)	136.91	0.49	1.27	2.18	6.44
3-Month US Treasury Yield	1.04	-0.00%	0.04%	-0.01%	0.87%
3-Month German Treasury Bill Yield	(0.74)	0.00%	-0.05%	-0.03%	-0.22%
Dubai Crude Oil Spot (\$/bbl)	53.18	0.00%	4.56%	3.81%	65.52%
Gold Spot (\$/oz)	1,346.45	-0.21%	1.63%	6.78%	26.85%

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
9/13/2017	US	MBA Mortgage Applications	Sep	3.3%
9/13/2017	Germany	CPI YoY	Aug F	1.8%
9/13/2017	Japan	PPI YoY	Aug	2.6%

Emerging Markets

Date	Country	Event	Period	Prior
9/11/2017	China	Money Supply M2 YoY	August	9.2%
9/15/2017	Thailand	Foreign Reserves	Sept	\$196.2bn
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