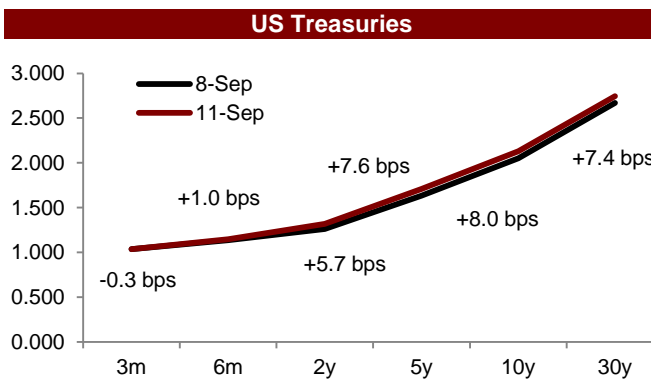
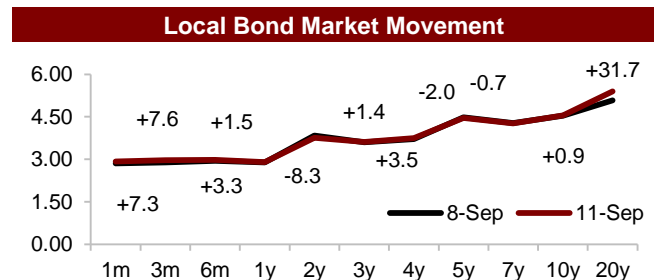
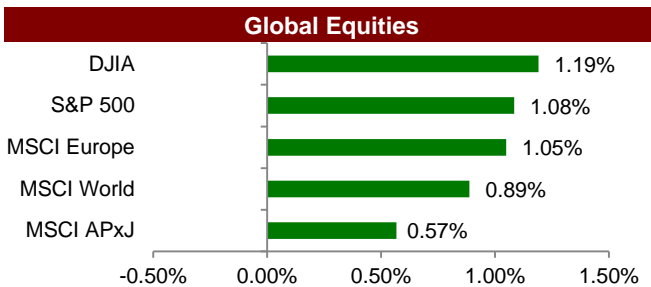
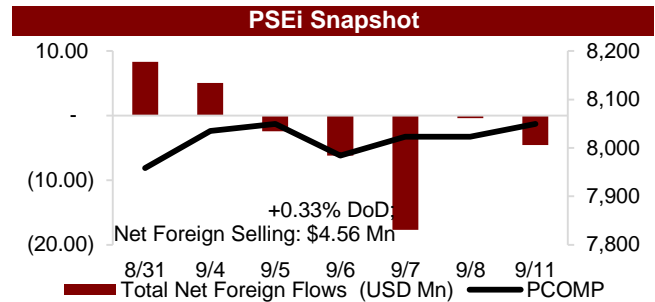


Global equities and the US Dollar edged higher, while US Treasury yields have risen as risk-on sentiment has returned to markets — fears over North Korea's potential missile launch during its Foundation Day have abated and Hurricane Irma's economic impact has been downgraded.

- ✓ The **local equities market** mildly rose on moderating geopolitical risks. North Korea refrained from any military activity during its founding anniversary. The PSEi climbed to 8,049.31 (+0.33%), tracking movements in the Asia equity space.
- ✓ In the **local fixed income market**, prices of government securities fell despite positive demand on the recently auctioned Treasury bills. Risk taking in Asia spilled over to the Philippines hurting the local bond market. Yields rose by an average of 3.85 bps, led by the long end (+10.86 bps average).

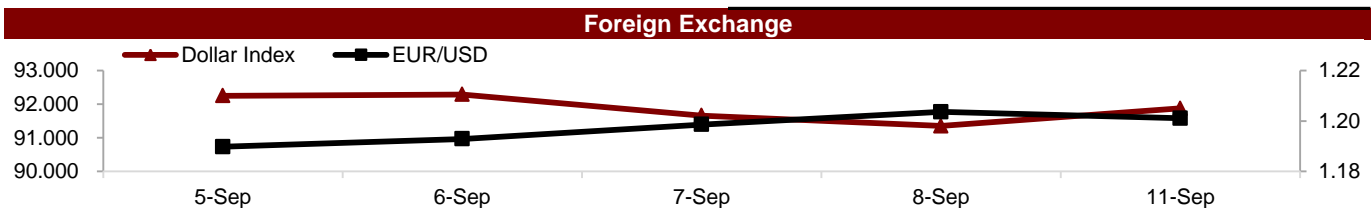


- ✓ **US equities** edged higher as Hurricane Irma was downgraded to a tropical storm, with its estimated economic impact downgraded to \$20 to 40B from a previous estimate of \$200B. Additionally, risk-on sentiment has returned to the equities markets as North Korea failed to conduct a missile launch over the weekend. The DJIA closed at 22,057.37 (+1.19% DoD) while the S&P 500 was at 2,488.11 (+1.08% DoD).
- ✓ **European equities** rose as relief washed over markets as North Korea had not launched a ballistic missile over the weekend as was expected. The MSCI Europe closed higher to 128.05, up 1.05%.
- ✓ **Asian shares** rallied as geopolitical tensions in the region eased following North Korea's failure to launch a missile during its Foundation Day. The MSCI APxJ gained 0.57% to 536.85.
- ✓ **US Treasury yields** rose as investors turned towards riskier assets as geopolitical tensions between the U.S. and North Korea continue to ease. US yields increased by an average of 4.90 bps, led by the long-end. Meanwhile, the US 10-yr yield inclined 7.99bps to close at 2.131%.

- ✓ The **Philippine peso** fell, tracking regional trends, after fears on geopolitical turmoil abated. The USDPHP pair rose to 50.905, an effective 0.07% depreciation of the local currency.
- ✓ The **US dollar** strengthened as speculations over a missile launch by North Korea during its Foundation Day have come to pass. The US Dollar Index closed at 91.875 (+0.57%).

Foreign Exchange

USD/PHP	Previous Close	50.870
	Close	50.905
EUR/USD	Previous Close	1.2036
	Indicative Rate	1.2023



Key Indicators

YIELDS AND PRICES	11-Sep-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.97	0.08%	0.84%	0.77%	0.30%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.90	0.02%	0.01%	-0.17%	0.53%
ROP2021 (Price)	106.50	(0.12)	0.06	0.16	(1.86)
ROP2034 (Price)	136.61	(0.30)	1.04	2.36	6.15
3-Month US Treasury Yield	1.03	-0.00%	0.03%	0.00%	0.87%
3-Month German Treasury Bill Yield	(0.69)	0.05%	0.03%	0.00%	-0.17%
Dubai Crude Oil Spot (\$/bbl)	52.25	-1.75%	2.45%	4.71%	62.62%
Gold Spot (\$/oz)	1,327.46	-1.41%	-0.37%	2.96%	25.06%

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
9/15/2017	China	Money Supply M2 YoY	August	9.2%
9/15/2017	Thailand	Foreign Reserves	Sept	\$196.2bn
9/12/2017	India	CPI YoY	August	2.36%

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