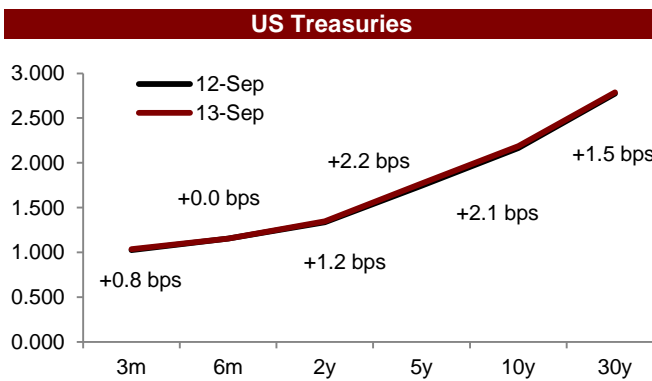
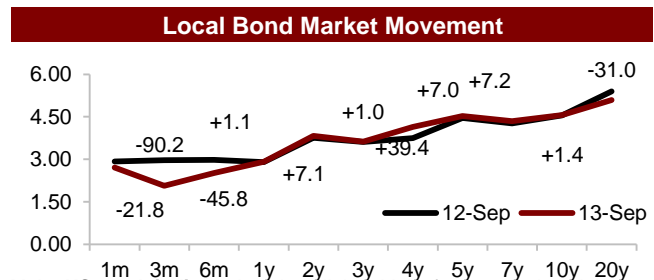
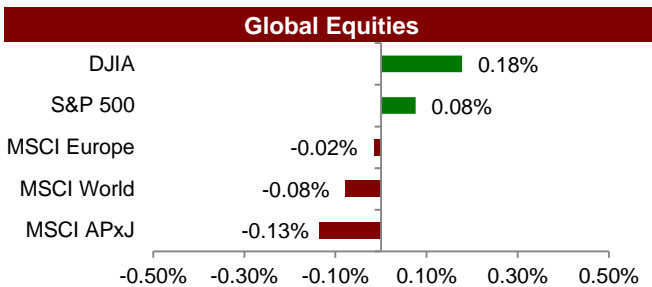
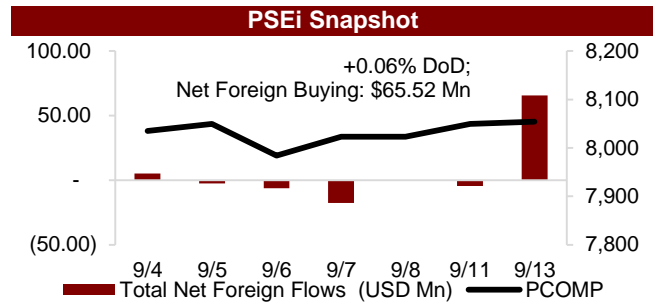


Global bourses ended mixed with all major US indices closing at all time highs after a rally in US crude prices pared weaker-than-expected US economic data (PPI). Meanwhile, Asian shares succumbed to profit taking after touching 10 year highs, intraday. The USD strengthened on the back of a better outlook on the US tax reform program.

- ✓ The **local equities market** mildly rose as markets resumed following its suspension due to inclement weather. Foreign inflows reached \$65.6mn or Php3.3bn, but excluding the impact of the BLOOM placement, net foreign outflows was ~\$9mn. The PSEi climbed to 8,053.88 (+0.057%).
- ✓ **Local fixed income yields** fell on average despite weaker-than-expected demand from the term deposit auction held today. 7-day bids were at P37.8bn (versus P40bn offer) and 28-day bids were at P101.4bn (versus P110bn offer). Yields fell by an average of 10.38 bps, led by the short-end (-39.18 bps average).

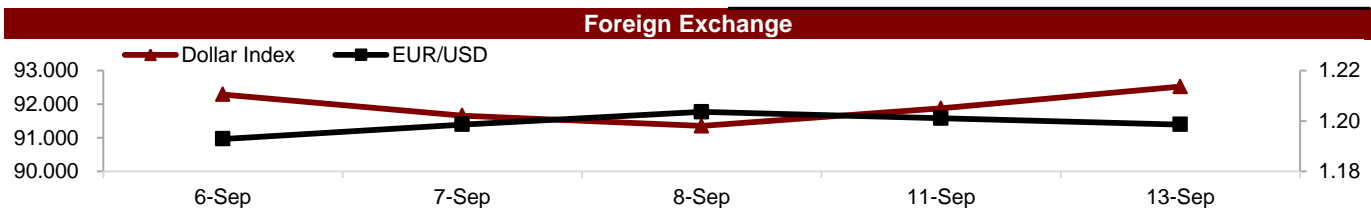


- ✓ The **Philippine peso** weakened on USD strength given the higher US Treasury yields, and ahead of the release of US inflation data on Thursday. The USDPHP pair rose to 50.975 (i.e., 0.14% depreciation of the Peso).
- ✓ The **US dollar** strengthened as supported by rising US treasury yields. More so, the deliberate call of Trump to avoid political gridlock in discussing the tax reform program boosted confidence towards the US economy. The US Dollar Index closed at 92.52 (+0.70%).

- ✓ Major **US stock indices** closed at all time highs for a second straight day after President Trump called for bipartisan support in Congress to amass backing for his tax reform agenda. Moreover, U.S. crude oil surged to a 5 week high, rising 2.2% day-on-day on the back of an improved outlook by the International Energy Agency (IEA). The DJIA closed at 22,158.18 (+0.18% DoD) while the S&P 500 was at 2,498.37 (+0.08% DoD).
- ✓ **European equities** traded sideways with a slight downward bias as market participants stayed on the sidelines ahead of the Bank of England (BoE) meeting. There is increased pressure to raise rates as inflation in August surpassed the bank's target of 2%. The MSCI Europe closed lower to 128.71, down 0.02%.
- ✓ **Asian shares** touched 10 year highs on intraday as it tracked positive sentiment from US indices. Asian markets, however, closed lower later in the afternoon as investors were quick to take profit. The MSCI APxJ shed 0.13% to 538.73.
- ✓ **US Treasury yields** rose for the fourth straight day as investors shrugged off results of the producer price index, which was slightly below expectations. Market players are focusing on the release of the CPI due Thursday. On average, yields rose 1.29 bps, while the US 10-yr yield inclined 2.11 bps to close at 2.188%.

Foreign Exchange

USD/PHP	Previous Close	50.905
	Close	50.975
EUR/USD	Previous Close	1.1937
	Indicative Rate	1.1981



Key Indicators

YIELDS AND PRICES	13-Sep-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.06	-0.90%	-0.03%	-0.13%	-0.60%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.91	0.01%	-0.20%	-0.16%	0.54%
ROP2021 (Price)	106.44	(0.03)	(0.17)	0.09	(1.92)
ROP2034 (Price)	136.15	(0.11)	(0.01)	1.90	5.69
3-Month US Treasury Yield	1.04	0.01%	-0.02%	0.00%	0.87%
3-Month German Treasury Bill Yield	(0.70)	-0.01%	0.03%	-0.01%	-0.19%
Dubai Crude Oil Spot (\$/bbl)	52.75	1.21%	0.67%	5.71%	64.18%
Gold Spot (\$/oz)	1,332.40	0.04%	-0.13%	3.34%	25.53%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
9/15/2017	Overseas Remittances YoY	Jul	5.7%
9/15/2017	Overseas Workers Remittances YoY	Jul	-\$2467 mn

Developed Markets

Date	Country	Event	Period	Prior
9/14/2017	US	CPI MoM	Aug	0.1%
9/18/2017	Europe	CPI YoY	Aug F	1.3%
9/14/2017	Japan	Industrial Production MoM	Jul	-0.8%

Emerging Markets

Date	Country	Event	Period	Prior
9/15/2017	China	Money Supply M2 YoY	Aug	9.2%
9/15/2017	Thailand	Foreign Reserves	Sept	\$196.2bn
9/15/2017	India	Exports YoY	Aug	3.9%

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