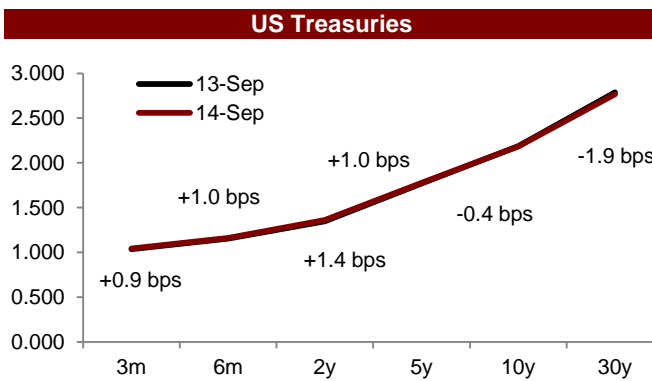
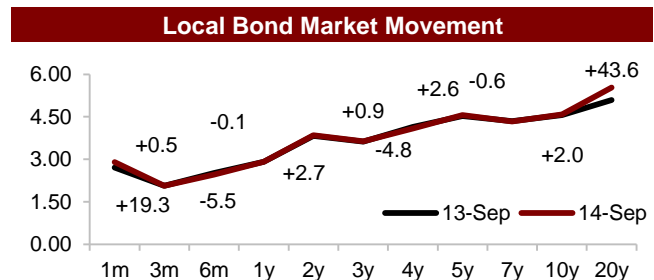
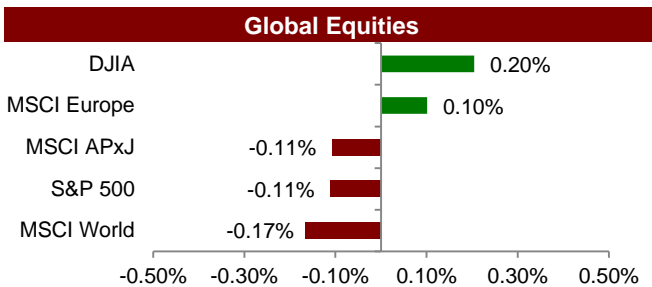
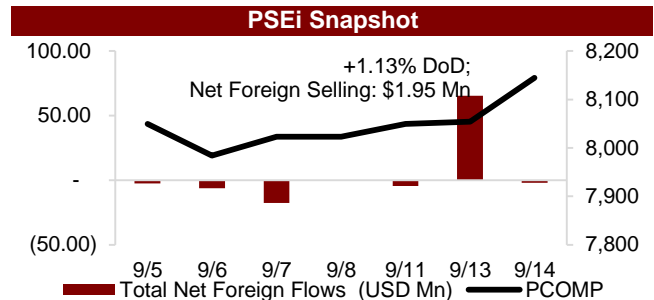


Global bourses ended mixed after a mixed bag of economic releases following China's disappointing economic figures and the stronger-than-expected inflation print in the US. European equities rose despite hawkish comments from the Bank of England (BoE), while the USD weakened amid heightened geopolitical tensions.

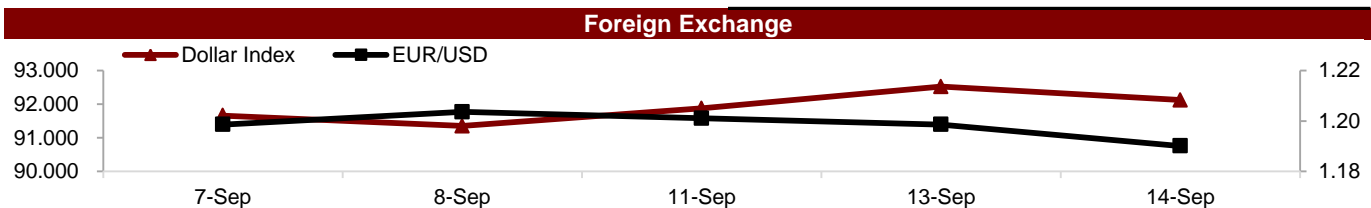
- ✓ The **local equities market** rose, buoyed on news that the government's proposed tax reform program may pass through the Senate with minimum changes. The PSEi climbed to 8,169.64 (+1.13%).
- ✓ **Local fixed income yields** rose, taking cue from global yield movements. US Treasury yields rose after Trump called for a bipartisan support on the tax reform plan. Yields fell by an average of 5.05 bps, led by the long end (+15.22 bps).



- ✓ The **Philippine peso** depreciated, tracking movements of Asian currencies, driven by positive US dollar view driven by rising US treasury yields. The Philippine peso weakened by 0.37% against the greenback, closing at 51.165.
- ✓ The **US dollar** depreciated after North Korea threatened to reduce the US to "ashes" after the UN heightened sanctions towards the former. The US Dollar Index closed at 92.12 (-0.73%).

- ✓ **US stocks** ended mixed despite strong labor data, given profit taking from investors. This comes after 2 straight days of record highs for the three US major indices. The DJIA closed at 22,203.48 (+0.20% DoD) while the S&P 500 was at 2,495.62 (-0.11% DoD).
- ✓ **European equities** trended higher despite the pound jumping 1% after the BoE hinted signs of a rate hike very soon. Inflation has outpaced the BOE's target of 2% since February. The MSCI Europe closed higher to 128.84, up 0.10%.
- ✓ **Asian shares** dipped after expectations of strong data from China led to disappointments after all 3 economic data releases fell below expectations. Industrial production rose 6% (mkt, est. 6.6%), fixed asset investment at 7.8% (mkt, est. 8.2%) and retail sales at 10.1% (mkt, est. 10.5%), dampening sentiment over Asia. The MSCI APxJ shed 0.11% to 538.15.
- ✓ **US Treasury yields** marginally rose after the release of CPI YoY for August. The resulting inflation of 1.9% was above consensus estimates of 1.8% - marking its first consensus beat since January of 2017. On average, yields rose 0.34 bps, while the US 10-yr yield declined 0.36 bps to close at 2.185%.

Pair	Previous Close	Current Rate
USD/PHP	50.975	51.165
EUR/USD	1.1986	1.1899



Key Indicators

YIELDS AND PRICES	14-Sep-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.07	0.00%	-0.02%	-0.13%	-0.60%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.91	-0.00%	0.02%	-0.15%	0.54%
ROP2021 (Price)	106.40	(0.06)	(0.16)	(0.02)	(1.96)
ROP2034 (Price)	135.92	(0.22)	(0.50)	1.25	5.45
3-Month US Treasury Yield	1.04	0.01%	0.00%	0.02%	0.88%
3-Month German Treasury Bill Yield	(0.68)	0.00%	0.06%	0.00%	-0.16%
Dubai Crude Oil Spot (\$/bbl)	53.77	1.36%	1.11%	6.92%	67.35%
Gold Spot (\$/oz)	1,329.69	0.49%	-1.45%	3.71%	25.27%

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
9/15/2017	US	Empire Manufacturing	Sep	25.2
9/18/2017	Europe	CPI YoY	Aug F	1.3%
9/20/2017	Japan	Trade Balance	Aug	¥418.8b

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