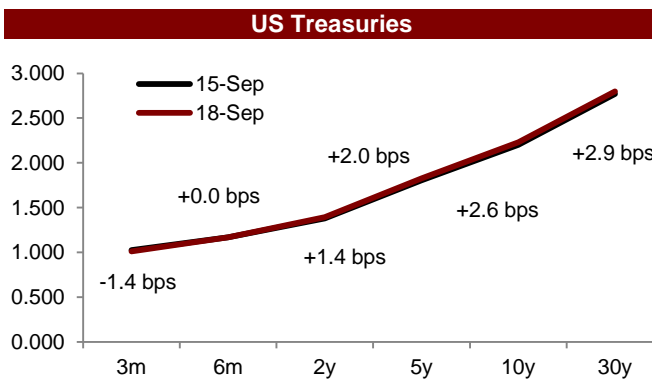
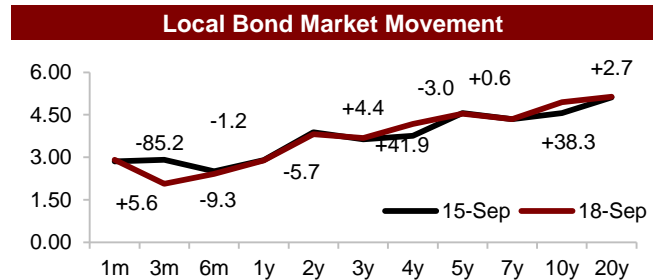
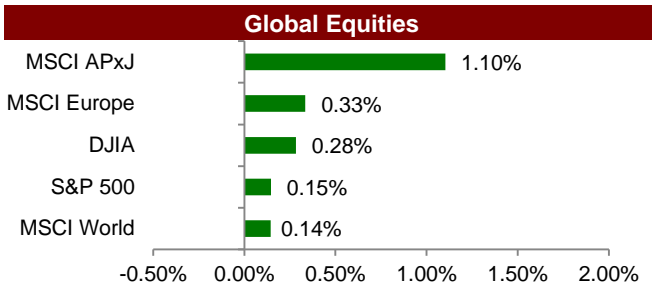
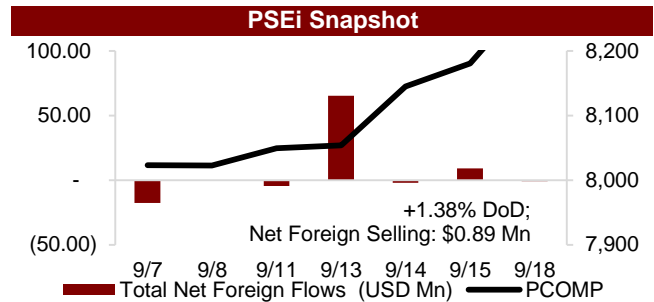


Positive sentiment returned to the market as the US seeks a "peaceful solution" towards the geopolitical issues surrounding North Korea's missile launches. Additionally, markets are focusing towards the upcoming FED policy meeting on Thursday, expecting a more hawkish FED given the recent run-up in inflation.

- ✓ The **local equities market** surged on local buying as investors redeployed their assets ahead of the conclusion of the ghost month. Moreover, bullish sentiment towards the tax reform program propped the index higher. The PSEi climbed to 8,294.14 (+1.39%), tracking movements in the Asia equity space.
- ✓ In the **local fixed income market**, prices rose, however capped as investors positioned ahead of a number of central bank meetings for the week, namely, the BOJ, FOMC and BSP. Yields fell by an average of 0.92 bps, led by the short-end (-22.53 bps average).

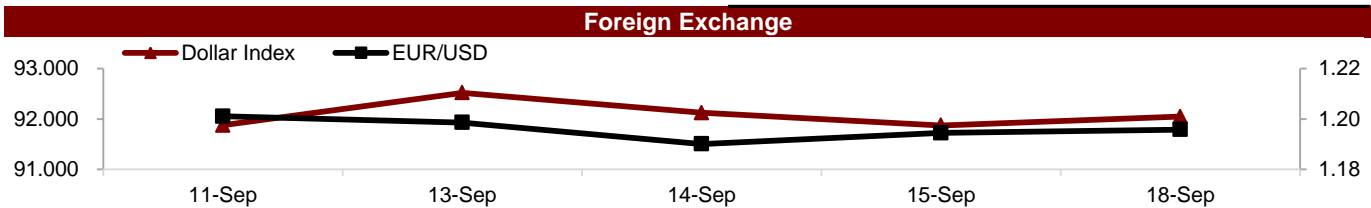


- ✓ The **Philippine peso** rose as investors digested BSP's report that the country registered positive current account balance in 2Q2017, a reversal from the prior quarter. The USDPHP pair rose to 51.10, an effective 0.13% appreciation of the local currency.
- ✓ The **US dollar** slightly strengthened as focus shifted towards the FED meeting on Sept 21, with geopolitical concerns over North Korea fading as US Secretary of State Tillerson sought "a peaceful solution" on the standoff versus North Korea. The US Dollar Index closed at 92.047 (+0.19%).

- ✓ **US equities** marginally rose as investors positioned ahead of the FED policy meeting on Thursday. Slight geopolitical tensions remain although abating as the US is expected to call for a non-violent solution to North Korea-induced security concerns during the upcoming UN General Assembly. The DJIA closed at 22,331.35 (+0.28% DoD) while the S&P 500 was at 2,503.87 (+0.15% DoD).
- ✓ **European equities** rose as inflation in the Eurozone showed signs of picking up, with Eurozone CPI YoY rising to 1.5% from the prior month's print of 1.3%. However, gains were capped as Germany's Bundesbank expects slower growth coming into the next quarter. The MSCI Europe climbed to 128.87, up by 0.33%.
- ✓ **Asian shares** rose, mirroring movements in US equities, as investors adopt a wait-and-see stance on the upcoming FED policy meeting this week. The MSCI APJ rose to 544.41 (+1.10%).
- ✓ **US Treasury yields** rose as investors anticipate the FED to take a hawkish tone, following a stronger-than-expected inflation print last Thursday, which has investors debating on a higher possibility of a December FED rate hike. Yields on average rose by 1.26 bps, while the US 10-yr yield inclined 2.64 bps to close at 2.229%.

Foreign Exchange

USD/PHP	Previous Close	51.165
	Close	51.100
EUR/USD	Previous Close	1.1945
	Indicative Rate	1.1942



Key Indicators

YIELDS AND PRICES	18-Sep-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.06	-0.85%	-0.90%	-0.12%	-0.61%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.89	-0.01%	-0.01%	-0.09%	0.52%
ROP2021 (Price)	106.40	(0.05)	(0.10)	(0.05)	(1.96)
ROP2034 (Price)	135.80	(0.06)	(0.81)	1.04	5.33
3-Month US Treasury Yield	1.01	-0.01%	-0.02%	0.01%	0.85%
3-Month German Treasury Bill Yield	(0.67)	0.02%	0.02%	0.01%	-0.15%
Dubai Crude Oil Spot (\$/bbl)	54.35	0.26%	4.02%	10.11%	69.16%
Gold Spot (\$/oz)	1,307.53	-0.96%	-1.50%	1.84%	23.19%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
9/19/2017	BoP Overall	Aug	-\$678mn
9/19/2017	Budget Balance PHP	Aug	-50.5bn

Developed Markets

Date	Country	Event	Period	Prior
9/19/2017	US	Housing Starts	Aug	1155k
9/21/2017	Europe	Consumer Confidence	Sep A	1.5
9/20/2017	Japan	Trade Balance	Aug	¥418.8bn

Emerging Markets

Date	Country	Event	Period	Prior
9/20/2017	Taiwan	Export Orders YoY	Aug	10.5%
9/22/2017	Thailand	Foreign Reserves	Sep	\$199.3bn
9/25/2017	Singapore	CPI YoY	Aug	1.6%

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