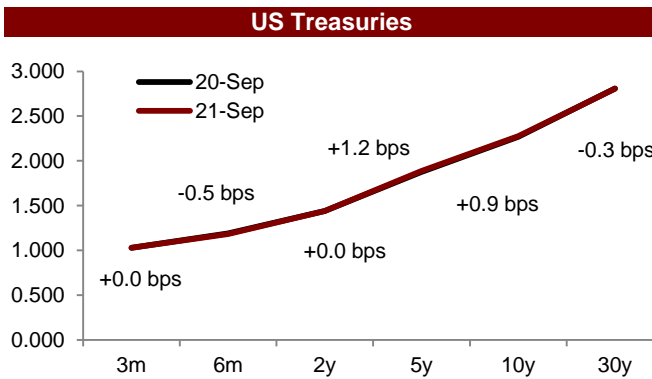
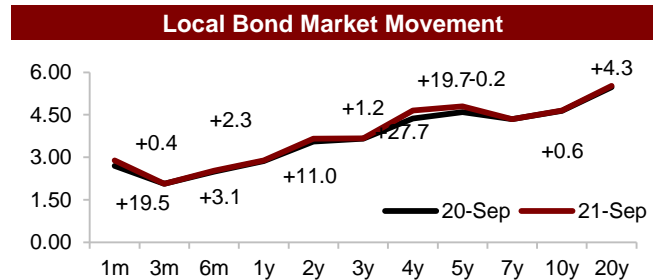
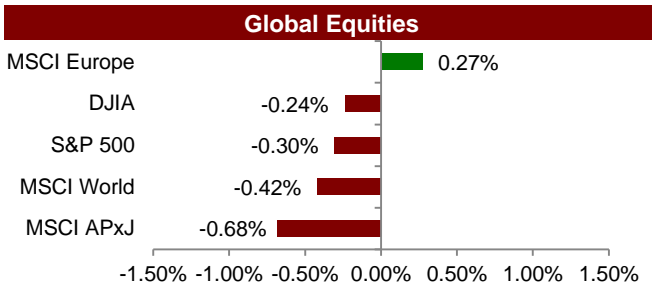
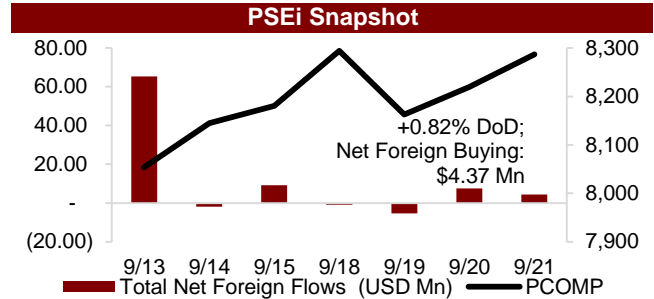


The US dollar and US Treasury yields continued to experience marginal movements, while the US equities dipped, as investors digested the Fed's more hawkish-than-expected statements. European banking stocks rallied given prospects for higher rates in the US which could push global yields higher. On the other hand, Asian shares experienced a decline over concerns on US' freshly-imposed sanctions versus North Korea.

- ✓ The **local equities market** continued to rally as investors digested the recently-passed tax reform bill version of Senate's Ways and Means Committee. Investors took positions on beneficiaries such as URC (+2.7%). The PSEi rose 67.54 points (or +0.82%) to close at 8,286.86.
- ✓ In the **local fixed income market**, yields rose after results of the Fed meeting contained hawkish statements, which consequently resulted to a "contagion effect" in yields globally. Yields inclined by an average of 7.47 bps, led by the belly (+11.89 bps average).

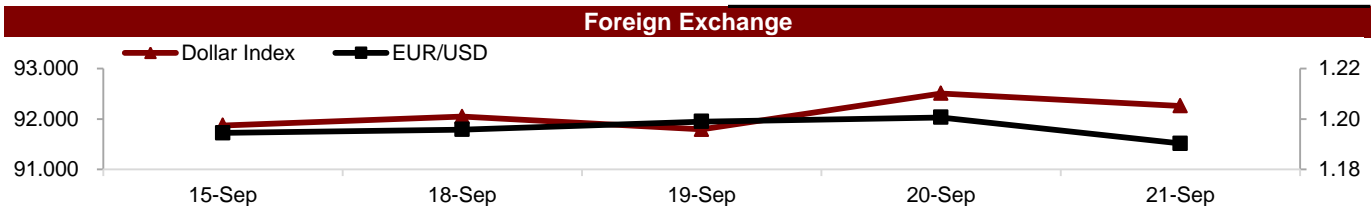


- ✓ The **Philippine peso** continued to weaken against the greenback as investors took long-positions on the USD after the Fed's more hawkish-than-expected statements. The USDPHP pair closed to 51.08 (-0.19% vis-a-vis the USD).
- ✓ The **US dollar** mildly weakened, as skepticism over a December rate hike loomed, given the continued sluggishness of inflation. Additionally, investors are more bullish on the Euro given brighter prospects on the European economy. The US Dollar Index closed at 92.259 (-0.27%).

- ✓ **US equities** were marginally lower as market players digested the implications of further rate hikes in December and the following year even if inflation is expected to be below the Fed's 2% target. The DJIA closed at 22,359.23 (-0.24% DoD) while the S&P 500 was at 2,500.60 (-0.30% DoD).
- ✓ **European equities** rose given the rally from the financial sector as investors priced in the potential third rate hike from the Fed later this year. The MSCI Europe edged higher to 129.22, up by 0.27%.
- ✓ **Asian shares** fell on geopolitical tensions following fresh sanctions imposed by the US on North Korea. Additionally, S&P Global Ratings cut China's sovereign rating from AA- to A+. The MSCI APxJ fell to 540.83 (-0.68%).
- ✓ **US Treasury yields** were relatively flat as investors expected the Fed to be more dovish in its policy stance, given the recent hurricanes and tepid inflation. Yields on average rose by 0.21 bps, while the US 10-yr yield inclined 0.89 bps to close at 2.2765%.

Foreign Exchange

USD/PHP	Previous Close	50.985
	Close	51.080
EUR/USD	Previous Close	1.2006
	Indicative Rate	1.1915



Key Indicators

YIELDS AND PRICES	21-Sep-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.07	0.00%	0.00%	-0.11%	-0.60%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.89	0.02%	-0.02%	-0.08%	0.52%
ROP2021 (Price)	106.18	(0.14)	(0.22)	(0.18)	(2.18)
ROP2034 (Price)	135.50	(0.18)	(0.42)	0.72	5.03
3-Month US Treasury Yield	1.03	0.00%	-0.02%	0.05%	0.87%
3-Month German Treasury Bill Yield	(0.67)	0.01%	0.00%	0.00%	-0.16%
Dubai Crude Oil Spot (\$/bbl)	54.66	0.90%	1.66%	7.30%	70.12%
Gold Spot (\$/oz)	1,291.18	-0.77%	-2.90%	-0.05%	21.65%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
9/29/2017	Budget Balance PHP	Aug	50.5bn
9/29/2017	Bank Lending YoY	Aug	18.7%

Developed Markets

Date	Country	Event	Period	Prior
9/22/2017	US	Markit US Manufacturing PMI	Sep	53.0
9/29/2017	Europe	Markit Eurozone Manufacturing PMI SA	Sep	57.4
9/25/2017	Japan	Nikkei Japan PMI Manufacturing	Sep	52.2

Emerging Markets

Date	Country	Event	Period	Prior
9/22/2017	Taiwan	Industrial Production YoY	Aug	2.4%
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