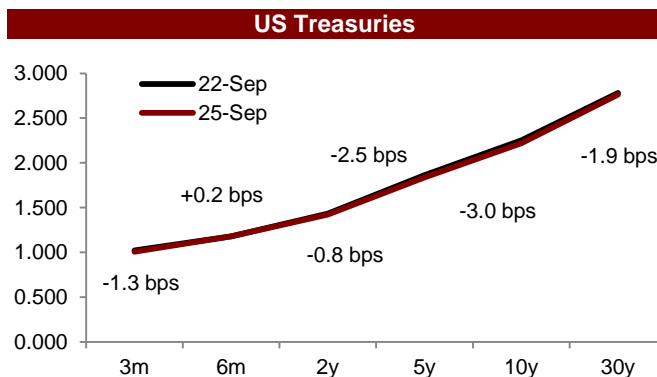
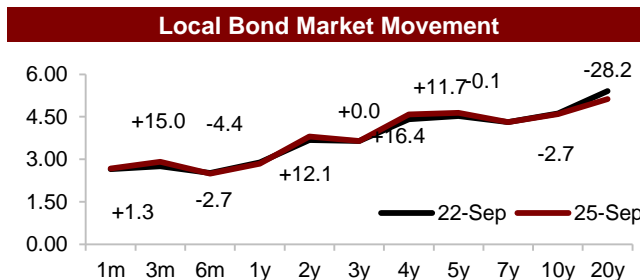
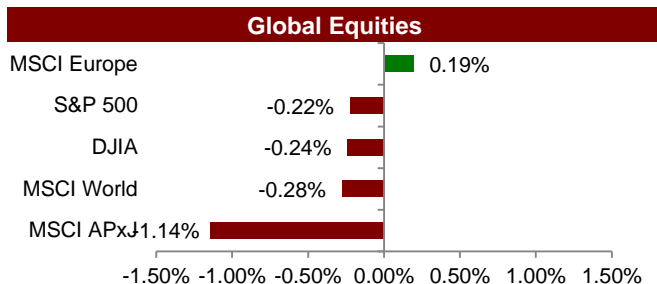
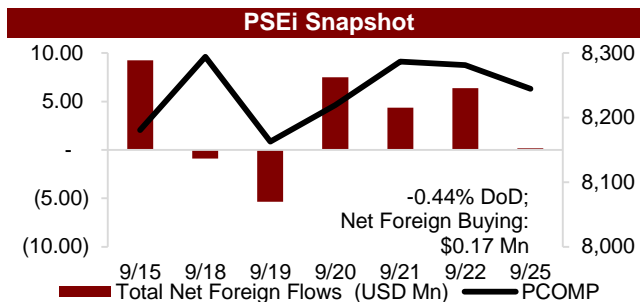


Global equities ended mostly in negative territory after fresh rhetoric from the US and North Korea, and jitters in the German Parliament. US Treasury yields were down due to divergent statements from Federal Reserve members while the US dollar closed higher on better-than-expected manufacturing data.

- ✓ The **local equities market** marginally declined, dragged by shares of Energy Development Corp. (EDC) following foreign funds' portfolio rebalancing after the tender offer reduced its public float, causing its deletion from the MSCI Phils Index. The PSEi fell by 36.54 points (-0.44%), closing at 8,244.73.
- ✓ In the **local fixed income market**, yields rose on average, on expectation of increased future issuances of short to medium term T-bills in the 4th quarter. On average, yields inclined by 1.54 bps, led by the short-end and the belly of the curve, which rose by 2.29bps and 8.04 bps respectively.

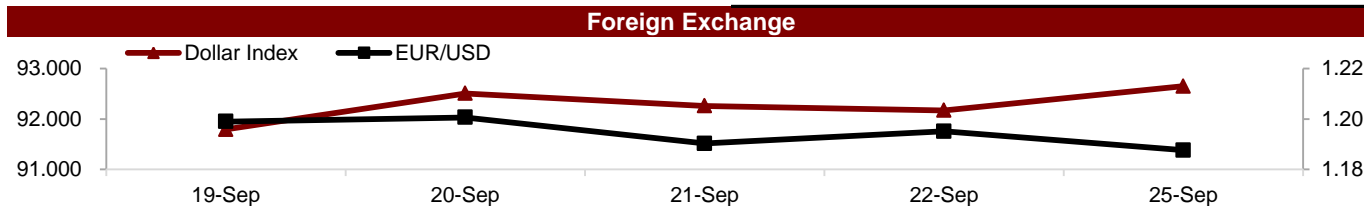


- ✓ **US equities** declined, dragged by the tech stocks, posting its worst slide since August. This came after an escalation of rhetoric between North Korea and the US, as the former accused the latter of essentially declaring war between the two. The DJIA closed at 22,296.09 (-0.24% DoD) while the S&P 500 was at 2,496.66 (-0.22% DoD).
- ✓ **European stocks** were marginally higher despite Chancellor Merkel possibly facing difficulties in future political negotiations with a fractured German parliament. The MSCI Europe edged higher to 129.58, up by 0.19%.
- ✓ **Asian shares** fell, led by Hong Kong stocks after authorities imposed fresh sanctions on Chinese property developers to prevent speculative schemes. The MSCI APxJ fell to 532.40 (-1.14%).
- ✓ **US Treasury yields** corrected following upward streak after divergent monetary policy commentary from New York Fed President Dudley and Chicago Fed President Charles Evans. Dudley claimed that the weak dollar would help prop inflation to 2%, while Evans said that the current weakness in inflation is more structural than temporary. Yields on average shed 1.53 bps, while the US 10-yr yield fell by 3.01 bps to close at 2.220%.

- ✓ The **Philippine peso** rose despite the government budget surplus narrowing in August, from Php 32.6 billion to Php 28.8 billion year-on-year. The PHP closed at 50.71 (+0.03%) against the USD.
- ✓ The **US dollar** appreciated in light of better-than-expected manufacturing data. The Dallas Fed Manufacturing Index mounted to its highest level in seven months, increasing to 21.3 (mkt. est. 11.5). The US Dollar Index closed at 92.65 (+0.52%).

Foreign Exchange

USD/PHP	Previous Close	50.725
	Close	50.710
EUR/USD	Previous Close	1.1951
	Indicative Rate	1.1907



Key Indicators

YIELDS AND PRICES	25-Sep-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.91	0.15%	0.85%	0.75%	0.24%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.85	-0.04%	-0.04%	-0.01%	0.48%
ROP2021 (Price)	106.26	0.04	(0.14)	(0.11)	(2.10)
ROP2034 (Price)	135.77	0.24	(0.03)	0.63	5.30
3-Month US Treasury Yield	1.01	-0.01%	-0.01%	0.00%	0.84%
3-Month German Treasury Bill Yield	(0.68)	-0.00%	-0.01%	-0.00%	-0.16%
Dubai Crude Oil Spot (\$/bbl)	55.59	1.11%	2.28%	9.49%	73.02%
Gold Spot (\$/oz)	1,310.83	1.04%	0.25%	1.51%	23.50%

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
9/26/2017	US	New Home Sales	Aug	571k
9/29/2017	Europe	Markit Eurozone Manufacturing PMI SA	Sep	57.4
9/29/2017	Japan	Jobless Rate	Aug	2.8%

Emerging Markets

Date	Country	Event	Period	Prior
9/29/2017	India	Fiscal Deficit INR Crore	Aug	63211
9/27/2017	Thailand	BOT Benchmark Interest Rate	Sep	1.50%
10/2/2017	Taiwan	Nikkei Taiwan PMI Manufacturing	Sept	54.3

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