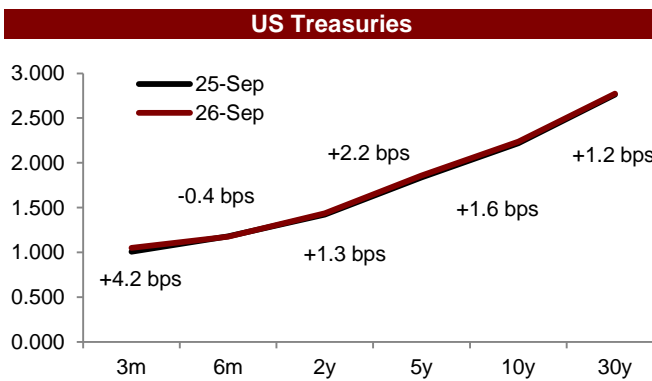
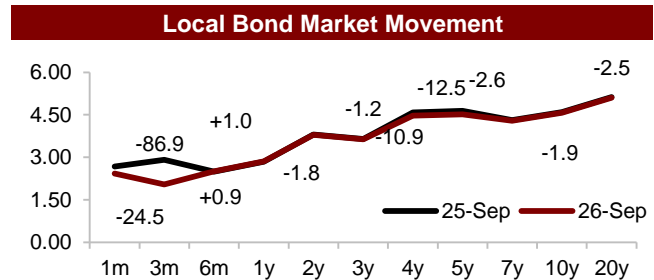
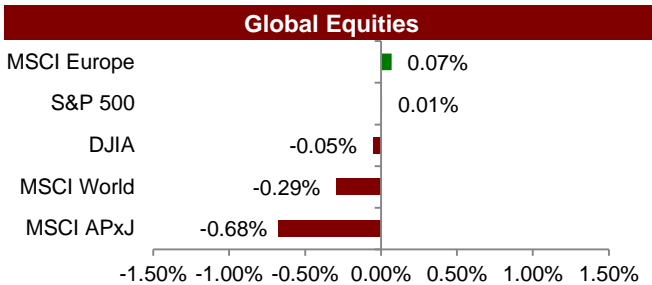
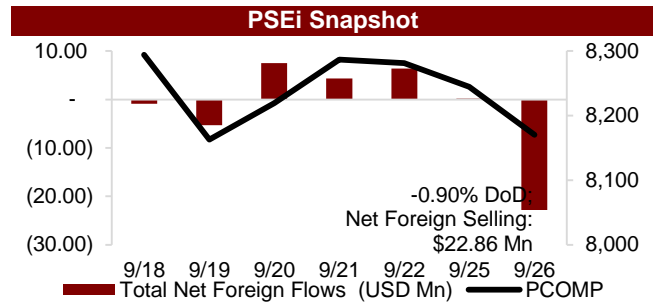


Global equities ended mixed, US Treasury yields and the US Dollar rose on more hawkish comments from Federal Reserve Chair Yellen. Global asset managers continue to trade on the sidelines on the back of persistent geopolitical tensions.

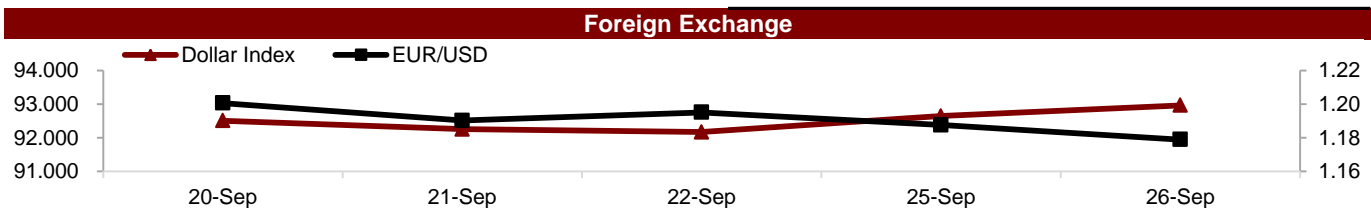
- ✓ The **local equities market** contracted on the back of amplified rhetoric between North Korea and the US. North Korea stated that it would shoot down US warplanes, potentially escalating the conflict further. The PSEi fell by 74.59 points (-0.91%), closing at 8,170.14.
- ✓ In the **local fixed income market**, prices rose significantly as investors fled to safe-haven assets due to heated talks between North Korea and the US. On average, yields fell 11.90 bps, led by the short-end, which fell by 27.37 bps.



- ✓ **US equities** ended mixed as investors continue to be cautious on the US fiscal policy reforms after a third Republican senator dropped support on the new healthcare bill. The DJIA closed at 22,284.32 (-0.05% DoD) while the S&P 500 was at 2,496.84 (+0.07% DoD).
- ✓ **European stocks** were marginally higher, buoyed by gains in oil companies following the recent increases in oil prices. Additionally, investors remained cautious over Merkel's win in the recently concluded German elections. The MSCI Europe edged higher to 129.67, up by 0.07%.
- ✓ **Asian shares** declined led by Taiwan, as it tracked the sell-off from US technology shares in the previous day. Additionally, fresh tensions came in from North Korea's threats versus the US. The MSCI APxJ fell to 528.80 (-0.68%).
- ✓ **US Treasury yields** rose after Federal Reserve Chair Janet Yellen said in her speech in Cleveland that borrowing costs are bound to go higher, causing the December rate hike probability to continue trending above 65%. Yields on average gained 1.69 bps, while the US 10-yr yield was up 1.59 bps to close at 2.236%.

- ✓ The **Philippine peso** fell to some profit taking after three straight days of gains, falling near its support of 50.60 (initial 50 day moving average). This comes despite Asian Development Bank's improved growth outlook for the country. The PHP closed at 50.96 (-0.44%) against the USD.
- ✓ The **US dollar** strengthened on hawkish comments from Fed Chair Yellen. The US Dollar Index closed at 92.97 (+0.34%) after the EUR continued to correct below the 1.20 level.

Pair	Previous Close	Current Rate
USD/PHP	50.710	50.935
EUR/USD	1.1876	1.1819



Key Indicators

YIELDS AND PRICES	26-Sep-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.04	-0.87%	-0.02%	-0.12%	-0.63%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.86	0.01%	-0.28%	-0.00%	0.49%
ROP2021 (Price)	106.21	(0.05)	(0.14)	(0.16)	(2.15)
ROP2034 (Price)	135.75	(0.02)	0.02	0.61	5.28
3-Month US Treasury Yield	1.05	0.04%	0.02%	0.05%	0.89%
3-Month German Treasury Bill Yield	(0.69)	-0.01%	-0.03%	-0.01%	-0.17%
Dubai Crude Oil Spot (\$/bbl)	56.97	2.48%	5.09%	12.21%	77.31%
Gold Spot (\$/oz)	1,294.17	-1.27%	-1.29%	0.22%	21.93%

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
9/27/2017	US	MBA Mortgage Applications	Sep	-9.7%
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