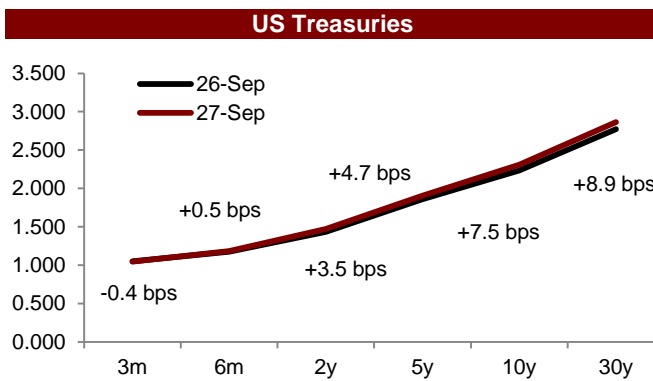
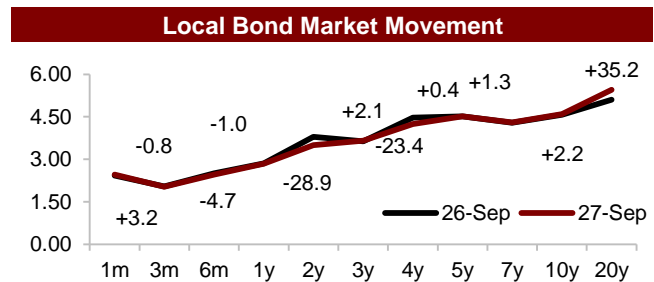
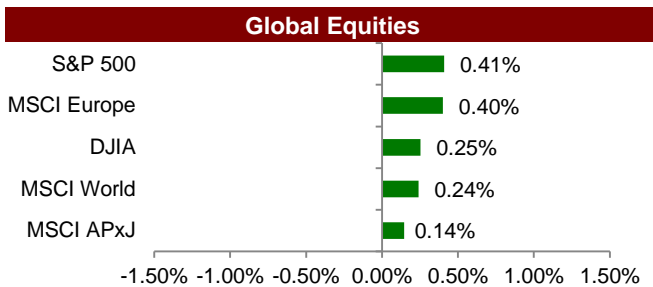
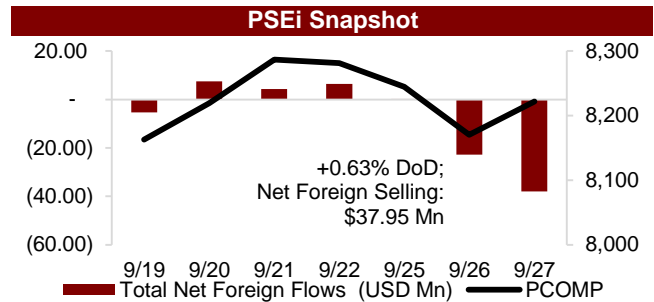


**Global equities rose amid a general risk-on sentiment after the Republican party's proposal to reduce corporate and individual income taxes. Meanwhile, US Treasury yields rose and the USD advanced on hawkish comments from Fed Chair Janet Yellen and better-than-expected economic data.**

- ✓ The **local equities market** was trading in negative territory during the day but bounced back in the last few minutes of trading due to bargain hunting from local players. The PSEi rose by 51.78 points (+0.63%), closing at 8,221.92.
- ✓ In the **local fixed income market**, yields fell following yesterday's t-bill auction, which was oversubscribed. Yields at the belly fell the most (- 9.70 bps) after yesterday's thin trading at this tenor. On average, yields fell 1.20 bps.

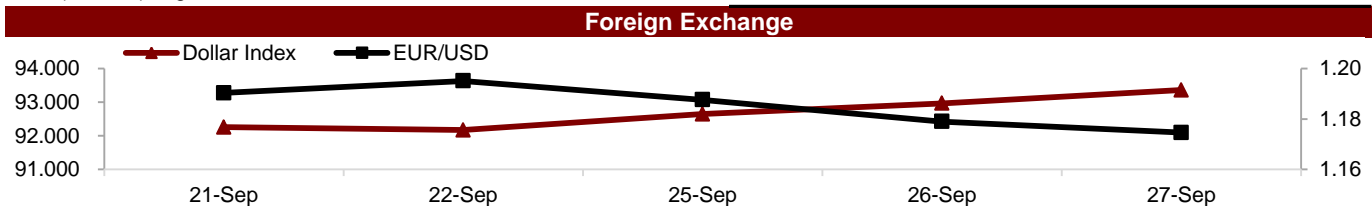


- ✓ **US equities** rose on optimism, triggered by a potentially lower corporate income tax rate of at least 20% with the intention to buoy employment and domestic activity. The DJIA closed at 22,340.71 (+0.25% DoD) while the S&P 500 was at 2,507.04 (+0.41% DoD).
- ✓ **European stocks** hit a 10-week high, after optimism on US markets spilled over the European region. The MSCI Europe edged higher to 130.19, up by 0.40%.
- ✓ **Asian stocks** rallied on broad risk-on sentiment after the Republicans unveiled their tax reform proposal. The MSCI APxJ grew to 529.56 (+0.14%).
- ✓ **US Treasury yields** continue to increase as market players continue to price-in Fed Chair Janet Yellen's view of gradually hiking rates amidst tepid inflation. Yields on average gained 4.11 bps, while the US 10-yr yield was up 7.46 bps to close at 2.310%.

- ✓ The **Philippine peso** fell, tracking regional movements, after overnight news indicated that the Trump administration will announce its tax plans within the week. The PHP closed at 51.02 (-0.17%) against the USD.
- ✓ The **US dollar** appreciated on optimism on the Republican's tax reform proposal, which will reduce both corporate and individual income taxes. In addition, there was a better-than-expected durable goods orders print for August, which came in at 1.7% (consensus: 1%). The US Dollar Index closed at 93.36 (+0.42%), highest in six weeks.

**Foreign Exchange**

USD/PHP	Previous Close	50.935
	Close	51.020
EUR/USD	Previous Close	1.1790
	Indicative Rate	1.1741



## Key Indicators

YIELDS AND PRICES	27-Sep-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.03	-0.01%	-0.03%	-0.13%	-0.63%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.85	-0.01%	-0.02%	-0.01%	0.48%
ROP2021 (Price)	106.11	(0.11)	(0.22)	(0.27)	(2.25)
ROP2034 (Price)	135.00	(0.75)	(0.68)	(0.14)	4.53
3-Month US Treasury Yield	1.05	-0.00%	0.02%	0.04%	0.88%
3-Month German Treasury Bill Yield	(0.71)	-0.03%	-0.03%	-0.04%	-0.20%
Dubai Crude Oil Spot (\$/bbl)	56.44	-0.93%	4.19%	11.17%	75.66%
Gold Spot (\$/oz)	1,282.80	-0.88%	-1.41%	-0.66%	20.86%

## 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
9/28/2017	US	GDP Annualized QoQ	2Q T	3.0%
9/29/2017	Europe	Markit Eurozone Manufacturing PMI SA	.	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
9/28/2017	Thailand	Foreign Reserves	Sep	\$200.1bn
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

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