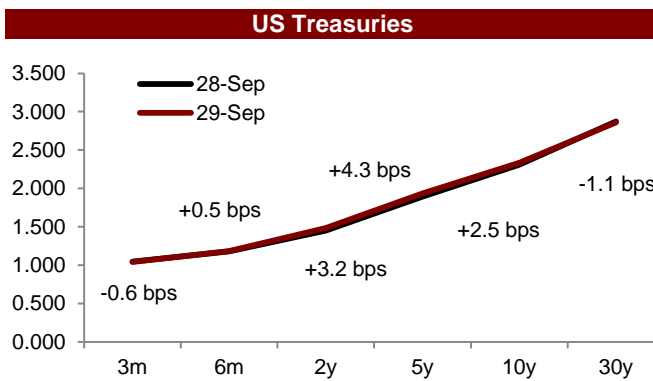
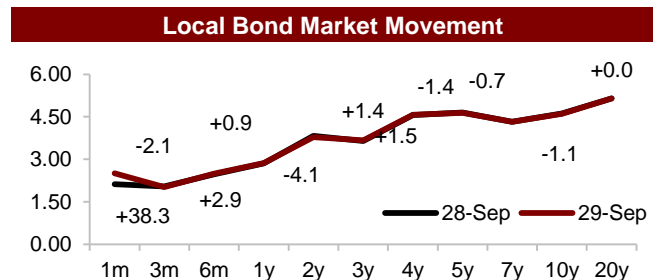
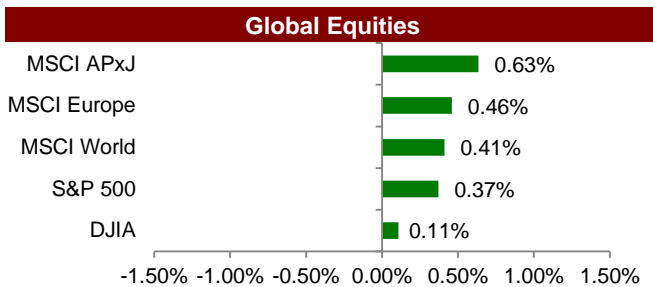
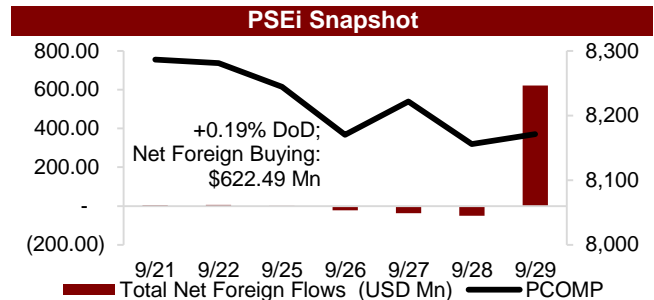


Global equities closed higher despite lackluster economic data as investors positioned for the quarter end. Yields rose despite softer inflation, and as Yellen being replaced came to focus. Lastly, the dollar traded sideways, lacking a decisive catalyst.

- ✓ The **local equities** market increased due to window-dressing. Gains were pared however during the final trading minutes as investors pocketed gains. Turnover was unusually high due to crosses related to EDC shares. The PSEI went up by 15.39 points or 0.19%, closing at 8,171.43.
- ✓ In the **local fixed income market**, prices of government securities mostly fell as investors took caution of the Php15 billion T-bill auction to be held on Monday next week. Yields increased by an average of 2.97 bps, led by the short end of the curve which rose by 9.99 bps.

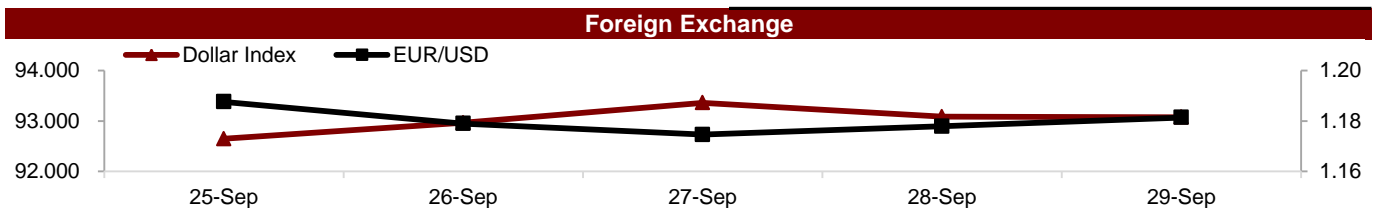


- ✓ US equities continued to rise as the S&P 500 closed at another high, and despite weak economic data. The information technology sector led most of the gains (+0.75% DoD), while utilities sector lagged behind (-0.11% DoD). The DJIA closed at 22,405.09 (+0.11% DoD) while the S&P 500 was at 2,519.36 (+0.37% DoD).
- ✓ **European stocks** were up as the quarter closed following a data-rich day. Inflation was steady in September, and the German labor market reported a new low in unemployment. However, consumption data from France and Germany disappointed consensus expectation. MSCI Europe added 0.46% to 131.01.
- ✓ **Asian stocks** were broadly higher, led by South Korea snapping a seven-day downtrend, as investors positioned for the end of the quarter. Sentiments were boosted by prospects of targeted reserve requirement cut in China confirmed over the weekend. The MSCI APxJ was up to 529.75 (+0.63%).
- ✓ Investors sold off **US Treasuries**, causing yields to rise, as news on possible candidates to replace Fed Chair Yellen emerged. On average, yields rose 1.46 bps, with the 10-year rose to 2.3336 (+2.51 bps DoD).

- ✓ The **Philippine peso** appreciated against the dollar amid tempered investor optimism on U.S President Donald Trump's tax plan. The USD/PHP closed at the 50.82 level, with the Peso rising by 0.32%.
- ✓ The **US dollar** traded sideways amid lackluster data. The PCE price index climbed 0.2% in August, while core PCE rose by a meager 0.1%, below analyst expectations. Additionally, auto sales caused a drag on real consumer spending, down 0.1% from July. The DXY closed at 93.076% (-0.01% DoD).

Foreign Exchange

USD/PHP	Previous Close	50.980
	Close	50.815
EUR/USD	Previous Close	1.1779
	Indicative Rate	1.1797



Key Indicators

YIELDS AND PRICES	29-Sep-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.03	-0.02%	-0.73%	-0.09%	-0.64%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.87	0.01%	-0.03%	-0.04%	0.50%
ROP2021 (Price)	106.04	(0.01)	(0.18)	(0.43)	(2.32)
ROP2034 (Price)	134.75	0.41	(0.78)	(0.63)	4.28
3-Month US Treasury Yield	1.04	-0.01%	0.02%	0.03%	0.88%
3-Month German Treasury Bill Yield	(0.70)	-0.04%	-0.03%	-0.02%	-0.18%
Dubai Crude Oil Spot (\$/bbl)	55.82	-1.62%	1.53%	11.13%	73.73%
Gold Spot (\$/oz)	1,280.15	-0.56%	-1.33%	-2.22%	20.61%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
10/2/2017	Nikkei Philippines PMI Mfg	Sep	50.6
10/5/2017	CPI YoY / Core CPI YoY	Sep	3.1% / 3.0%

Developed Markets

Date	Country	Event	Period	Prior
10/2/2017	US	Markit US Manufacturing PMI	Sep	53.0
10/2/2017	Europe	Markit Eurozone Manufacturing PMI	Sep	58.2
10/2/2017	Japan	Tankan Large Manufacturing Index	3Q	17

Emerging Markets

Date	Country	Event	Period	Prior
10/3/2017	India	Nikkei India PMI Manufacturing	Sep	51.2
10/2/2017	Indonesia	Nikkei Indonesia PMI Mfg	Sep	2.98%
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