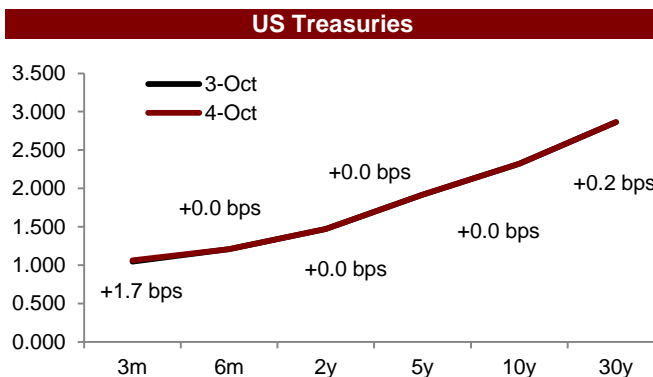
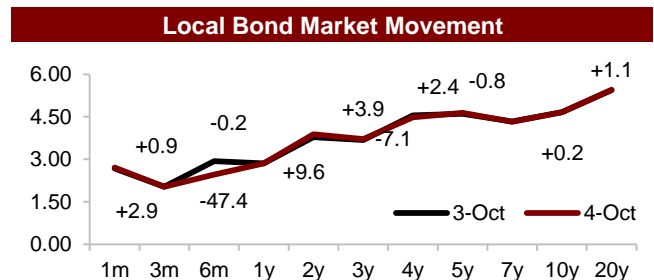
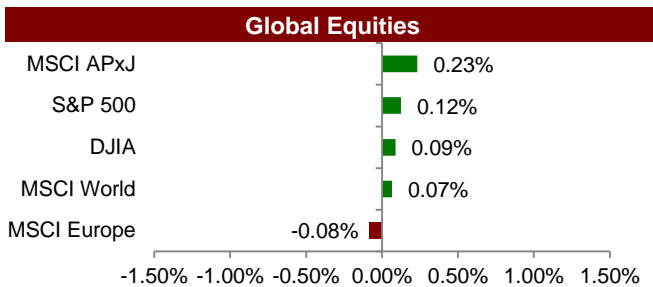
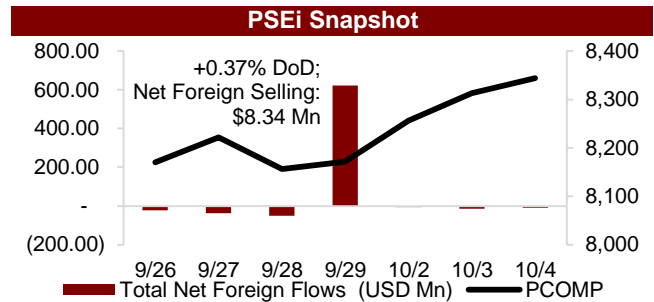


**Global equity markets were mostly up following positive data. Meanwhile, US Treasury yields were flat as focus shifted to the Fed Chair candidates. Consequently, the greenback pulled back amid all the news and data.**

- ✓ The **local equities market** hit its all-time high despite a lack of foreign interest, as local investors shrugged off rising political risk to focus on the tax reform story. The PSEi went up by 31.12 points or 0.37%, closing at 8,344.05.
- ✓ In the **local fixed income market**, prices of government securities continued their upward trend following statements from BSP Governor Espenilla that tax reform will only have a modest and short-lived impact on inflation. Yields decreased by 3.14 bps on average, led by the short end of the curve which fell 10.97 bps.

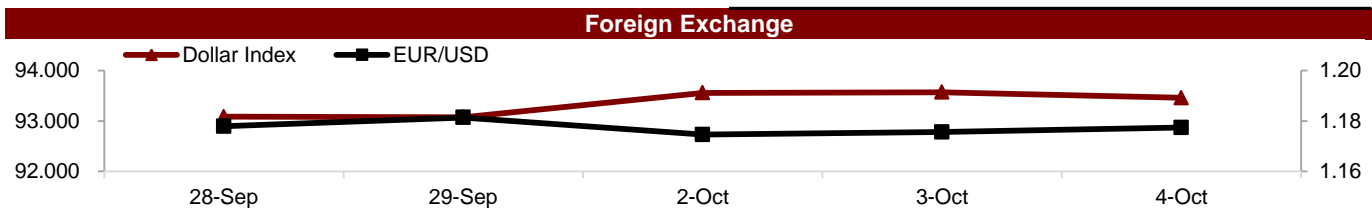


- ✓ **US equities** continued to climb amid positive data. Investors remained bullish as private-sector jobs totaled 135k (125k expected), and as non-manufacturing index reached 59.8 (55.5 expected). The Dow Jones Industrial Average closed at 22,661.64 (+0.09% DoD) while the S&P 500 was at 2,537.74 (+0.12% DoD).
- ✓ **European equities** were down, dragged by the utilities and retail sector following UK Prime Minister Theresa May's plan to cap energy prices, and disappointing eurozone sales data. MSCI Europe slid 0.23% to 131.77.
- ✓ **Asian equity markets**, rose on thin trading after markets in Taiwan, China and South Korea were closed for the holidays. The MSCI APxJ was 0.23% higher to 537.03.
- ✓ **US Treasury yields** marginally increased after rumors surfaced that Jerome Powell, a more dovish Fed candidate, could replace Yellen as Fed Chair. On average, yields rose 30 bps while the 10-year was flat at 2.323%.

- ✓ The **Philippine peso** remained flat against the dollar as investors wait for inflation data to be released tomorrow. The USD/PHP closed at the 51.00 level, with the Peso strengthening by 0.10%.
- ✓ The **US dollar** pulled back after hitting intraday highs. The greenback eased following news that Jerome Powell could be favored to become the new Fed Chair. The DXY closed at 93.458, down 0.12% DoD.

**Foreign Exchange**

USD/PHP	Previous Close	51.050
	Close	51.000
EUR/USD	Previous Close	1.1756
	Indicative Rate	1.1757



## Key Indicators

YIELDS AND PRICES	4-Oct-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.04	0.01%	0.00%	-0.09%	-0.63%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.86	-0.00%	0.01%	-0.03%	0.49%
ROP2021 (Price)	105.95	(0.04)	(0.16)	(0.49)	(2.41)
ROP2034 (Price)	134.35	0.15	(0.65)	(1.22)	3.89
3-Month US Treasury Yield	1.06	0.02%	0.02%	0.06%	0.90%
3-Month German Treasury Bill Yield	(0.70)	-0.04%	0.02%	0.02%	-0.18%
Dubai Crude Oil Spot (\$/bbl)	53.97	-1.12%	-4.38%	5.82%	67.97%
Gold Spot (\$/oz)	1,274.96	0.26%	-0.61%	-4.31%	20.12%

## Upcoming Economic Releases

### Philippines

Date	Event	Period	Prior
10/5/2017	CPI YoY / Core CPI YoY	Sep	3.1% / 3.0%
10/6/2017	Foreign Reserves	Sep	\$ 81.5 Bn

### Developed Markets

Date	Country	Event	Period	Prior
10/5/2017	US	Initial Jobless Claims	Sep	272K
10/5/2017	Europe	Markit Eurozone Retail PMI	Sep	50.8
10/6/2017	Japan	Labor Cash Earnings YoY	Aug	-0.3%

### Emerging Markets

Date	Country	Event	Period	Prior
10/5/2017	India	Nikkei India PMI Services	Sep	47.5
10/6/2017	Indonesia	Foreign Reserves	Sep	\$128.79 Bn
10/7/2017	China	Foreign Direct Investment YoY CNY	Sep	9.10%

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

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