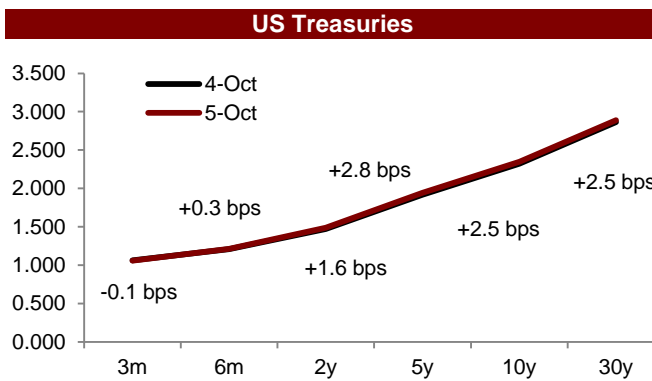
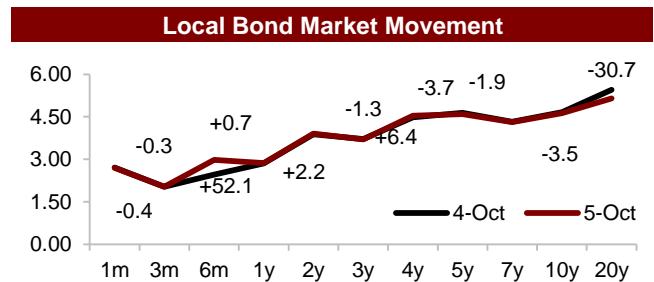
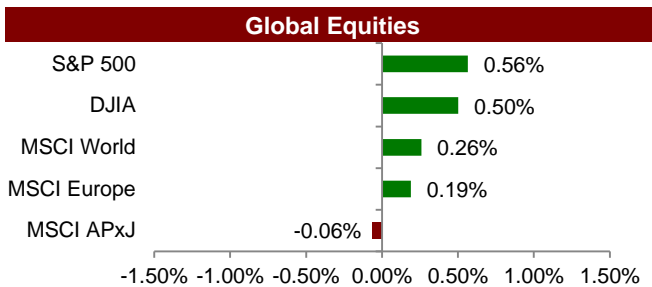
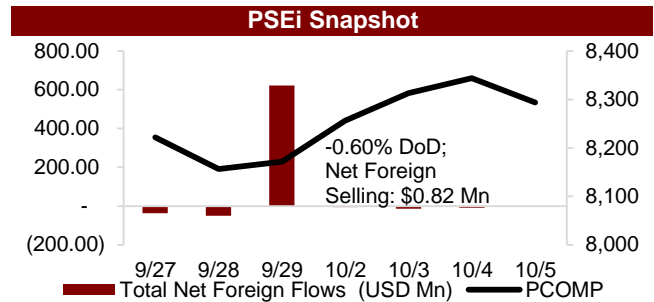


Global equities were mostly up owing to political developments in the US and Europe. Moreover, both US Treasury yields and the dollar rose as investors after the House of Representatives passed a 2018 budget.

- ✓ The **local equities market** took a breather after its run-up to yesterday's all-time high, as investors took profits. The PSEi went down by 50.04 points or 0.60%, closing at 8,294.01.
- ✓ In the **local fixed income market**, prices of government securities were flat, despite a data release showing inflation at 3.4% for the month of September, against the 3.1% consensus. Yields increased by 1.77 bps on average, led by the short end of the curve which rose 13.03 bps.

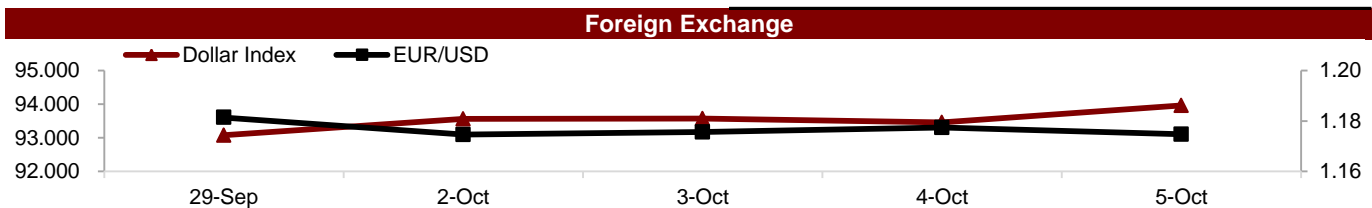


- ✓ **US equities** continued to accelerate after the House of Representatives passed a USD4.1 trillion budget. Market players saw this advance as the first concrete step towards tax reform. The DJIA closed at 22,775.39 (+0.50% DoD) while the S&P 500 was at 2,552.07 (+0.56% DoD).
- ✓ **European equities** inched up as Spanish stocks recovered after Spain's Constitutional Court suspended Catalan Parliament's independence session. MSCI Europe rose to 132.02 (+0.19% DoD).
- ✓ **Asian equity markets** were mixed as thin trading resumed due to markets in China and South Korea being closed for the holidays. The MSCI APxJ closed at 536.68, down 0.06% DoD.
- ✓ **US Treasury yields** were up after the House of Representatives passed a budget resolution, boosting investors' appetite for risky assets. On average, yields rose 1.59 bps with the 10-year rising 2.51 bps to 2.3480%.

- ✓ The **Philippine peso** continued its steady level against the dollar as after statements from BSP Governor Espenilla that the 'modest and gradual depreciation' of the peso has been in line with the switch to an investments focus. The USD/PHP closed at the 51.010, with the Peso weakening by 0.02%.
- ✓ The **US dollar** strengthened ahead of nonfarm payrolls and unemployment data, and following the House of Representative's approval of a 2018 budget. The DXY closed at 93.961, up 0.54% DoD.

Foreign Exchange

| | | |
|---------|-----------------|--------|
| USD/PHP | Previous Close | 51.000 |
| | Close | 51.010 |
| EUR/USD | Previous Close | 1.1774 |
| | Indicative Rate | 1.1768 |



Key Indicators

| YIELDS AND PRICES | 5-Oct-17 | DoD | WoW | MoM | YTD |
|---|----------|--------|--------|--------|--------|
| 91-Day Philippine Treasury Bill Yield (PDST-R2) | 2.03 | -0.00% | -0.01% | -0.09% | -0.63% |
| 1-Year Philippine Treasury Bill Yield (PDST-R2) | 2.86 | 0.01% | 0.01% | 0.07% | 0.49% |
| ROP2021 (Price) | 105.96 | 0.01 | (0.09) | (0.59) | (2.40) |
| ROP2034 (Price) | 134.25 | (0.10) | (0.09) | (1.38) | 3.78 |
| 3-Month US Treasury Yield | 1.06 | -0.00% | 0.01% | 0.06% | 0.90% |
| 3-Month German Treasury Bill Yield | (0.70) | 0.00% | -0.03% | -0.00% | -0.18% |
| Dubai Crude Oil Spot (\$/bbl) | 54.62 | 1.20% | -3.74% | 6.78% | 70.00% |
| Gold Spot (\$/oz) | 1,267.42 | -0.59% | -1.55% | -5.39% | 19.41% |

Upcoming Economic Releases

Philippines

| Date | Event | Period | Prior |
|------------|------------------|--------|------------|
| 10/6/2017 | Foreign Reserves | Sep | \$ 81.5 Bn |
| 10/10/2017 | Exports YoY | Aug | 10.4% |

Developed Markets

| Date | Country | Event | Period | Prior |
|------------|---------|-----------------------------|--------|----------|
| 10/6/2017 | US | Change in Nonfarm Payrolls | Sep | 156k |
| 10/10/2017 | Japan | BoP Current Account Balance | Aug | ¥2320.0b |
| 10/12/2017 | Europe | Industrial Production MoM | Aug | 0.1% |

Emerging Markets

| Date | Country | Event | Period | Prior |
|------------|-----------|-----------------------------------|--------|-------------|
| 10/6/2017 | Indonesia | Foreign Reserves | Sep | \$128.79 Bn |
| 10/7/2017 | China | Foreign Direct Investment YoY CNY | Sep | 9.10% |
| 10/12/2017 | India | Industrial Production YoY | Aug | 1.20% |

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