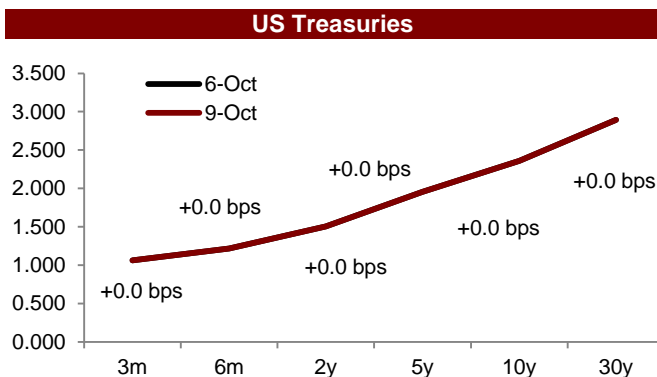
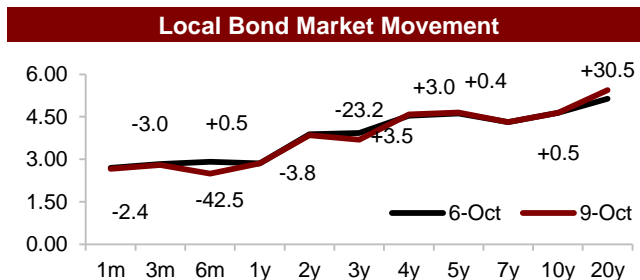
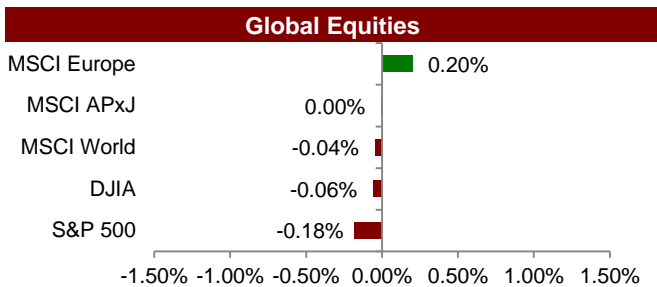
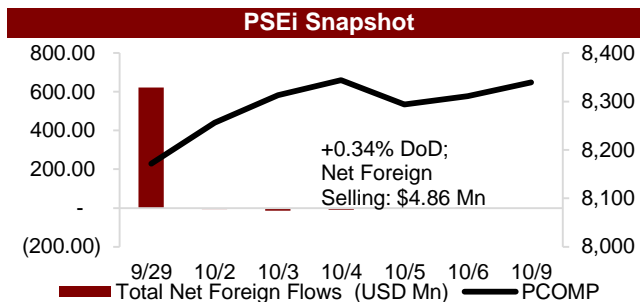


Most global equity markets were slightly down on thin volumes and absence of meaningful market-moving catalyst. The US Treasury market was closed because of the Columbus Day holiday. The dollar also weakened following Pyongyang and Washington exchanging words during the weekend.

- ✓ The **local equities** market continued its upward trajectory as investors bid up shares in major index names (e.g. JGS +2.93% DoD, AC +2.36% DoD, AEV +2.31% DoD). The PSEi increased by 56.50 points or 0.68%, closing at 8,367.38.
- ✓ In the **local fixed income** market, yields of government securities fell despite the strong inflation figures, likely due investment flows into the EM and Asian market, following a rise in US yields. On average, yields fell by 3.31 bps, led by the short end of the curve which fell by 11.87 bps.

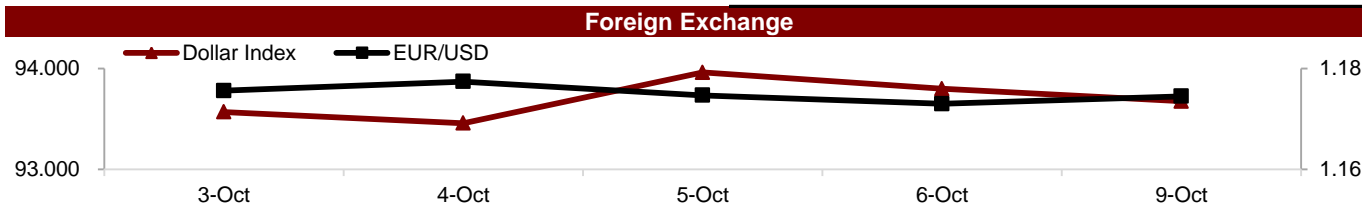


- ✓ **US equities** traded lower on thin volume. Healthcare (-0.79%) was the worst performing sector while GE (-3.94%) was among the particular stocks in focus following significant management changes. The Dow Jones Industrial Average ended at 22,761.07 (-0.06% DoD) while the S&P 500 was at 2,544.73 (-0.18% DoD).
- ✓ **European equities** rebounded as Germany's industrial production printed 2.6% month-on-month in August, stronger than street expectations. This is despite ECB Executive Board member Lautenschlaeger's pronouncements that "we [the ECB] need to think about how we can bring our unconventional measures to an end". MSCI Europe inched to 131.74 (+0.20% DoD).
- ✓ **Asian equity markets** hardly moved as some markets were closed. Still, China was the biggest gainer as it opened after a week-long holiday as investors priced in the select reserve requirement cut. The MSCI APxJ closed at 538.87.
- ✓ **US bond markets** were closed in observance of Columbus Day.

- ✓ The **Philippine peso** continued to depreciate against the dollar in light of strong jobs data from the US. Continued US economic growth ahead of potential tax reform may pressure the Fed to raise rates faster than anticipated. The USD/PHP closed at the 51.245 as the peso fell by 0.19%.
- ✓ The **US dollar** weakened after Trump suggested that talks with North Korea were ineffective and 'only one thing will work'. Investors took this statement negatively, causing a drag on the greenback. The DXY closed at 93.675, down 0.13% DoD.

Foreign Exchange

USD/PHP	Previous Close	51.150
	Close	51.245
EUR/USD	Previous Close	1.1730
	Indicative Rate	1.1744



Key Indicators

YIELDS AND PRICES	9-Oct-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.80	-0.03%	0.76%	-0.09%	0.13%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.86	0.00%	-0.19%	-0.03%	0.49%
ROP2021 (Price)	105.85	(0.12)	(0.24)	(0.77)	(2.51)
ROP2034 (Price)	134.18	0.14	(0.46)	(2.73)	3.71
3-Month US Treasury Yield	1.06	0.00%	0.04%	0.03%	0.90%
3-Month German Treasury Bill Yield	(0.79)	-0.11%	-0.12%	-0.05%	-0.27%
Dubai Crude Oil Spot (\$/bbl)	53.41	-3.07%	-3.10%	0.43%	66.23%
Gold Spot (\$/oz)	1,283.86	0.57%	1.02%	-4.65%	20.96%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
10/10/2017	Exports YoY	Aug	10.4%
10/16/2017	Overseas Remittances YoY	Aug	7.1%

Developed Markets

Date	Country	Event	Period	Prior
10/12/2017	US	FOMC Meeting Minutes	20-Sep	--
10/11/2017	Japan	Core Machine Orders MoM / YoY	Aug	8% / -7.5%
10/12/2017	Europe	Industrial Production MoM	Aug	0.1%

Emerging Markets

Date	Country	Event	Period	Prior
10/10-18	China	Money Supply M2 YoY	Sep	8.90%
10/12/2017	China	Industrial Production YoY	Aug	1.20%
10/16/2017	Indonesia	Exports YoY	Sep	19.24%

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

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