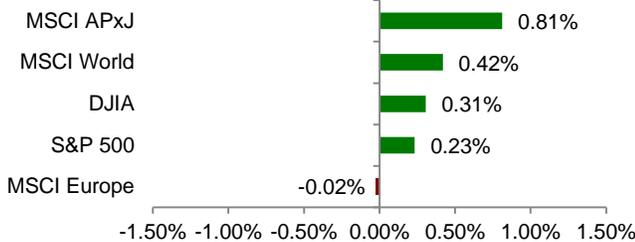


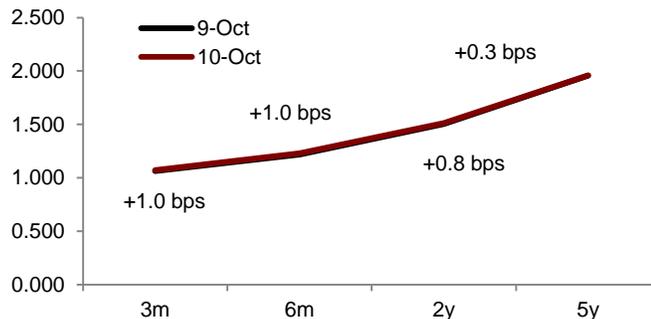
**Investors positioned ahead of third quarter earnings report, pushing stock indices higher. Meanwhile, the US dollar weakened as investors rotated to the Euro on the back of generally positive data and as investors digested some hawkish commentary.**

- ✓ The **local equities market** continued to trade higher as investors maintained preference for leading names amid the PSEi's recent surge (e.g. SM +2.34% DoD, BDO +1.56% DoD, and AC +1.06% DoD). The PSEi increased by 30.66 points or 0.37%, closing at 8,398.04.
- ✓ In the **local fixed income market**, yields of government securities fell as investors positioned defensively in light of declining favorability ratings for the President. A decline in the inflationary impact of the proposed tax reform program is viewed as a positive in the bond markets. On average, yields fell by 8.09 bps, led by the short end of the curve which fell by 24.88 bps.

### Global Equities

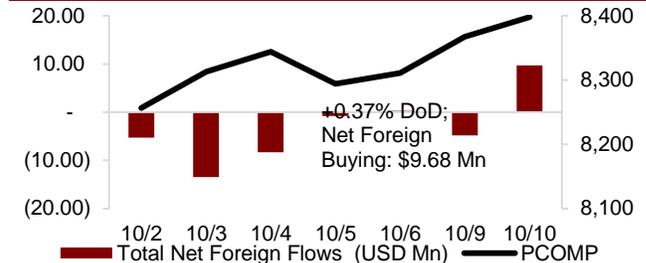


### US Treasuries

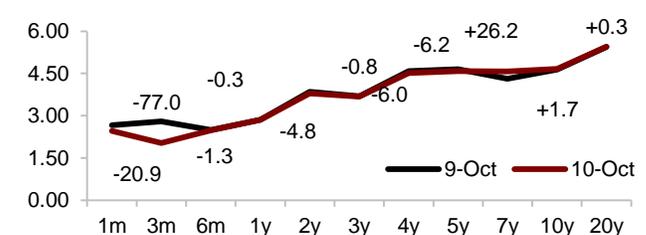


- ✓ The **Philippine peso** maintained its depreciating trend against the dollar in light of President Duterte's decline in popularity ratings. The SWS noted the dip in his net satisfaction rating from "very good" to "good". The USD/PHP closed at 51.440 as the peso fell by 0.38%.
- ✓ The **US dollar** was sold off amid advances by the Euro and the British pound. Investors shifted their focus to Europe where Catalonia delayed its declaration of independence, hoping for a dialogue with Spain. The DXY closed at 93.290, down 0.41% DoD.

### PSEi Snapshot



### Local Bond Market Movement



- ✓ **US equities** reached record levels once again as investors grew optimistic ahead of earnings season. Consumer Staples (+0.96%) was the best performing sector while Consumer Discretionary (-0.14%) lagged behind. The DJIA closed at 22,830.68 (+0.31% DoD) while the S&P 500 was at 2,550.64 (+0.23%).
- ✓ **European equities** were little changed on a quiet trading day with mixed data (weak factory data from France, strong industrial production in Italy, and the fast exports growth of Germany), and ahead of the Catalan President Carles Puigdemont. In his speech, which happened post market close, he said they are proposing to suspend the independence declaration "to open a period of dialogue". MSCI Europe inched down to 131.71 from 131.74 (-0.02% DoD).
- ✓ **Asian equity markets** gained as markets reopened, with sentiment boosted by encouraging data from Japan showing improved household confidence. South Korea led the gainers as investors bought heavyweight Samsung in anticipation of its earnings report. The MSCI APxJ closed at 543.24 (+0.81%).

### Foreign Exchange

USD/PHP	Previous Close	51.245
	Close	51.440
EUR/USD	Previous Close	1.1745
	Indicative Rate	1.1778

### Foreign Exchange



## Key Indicators

YIELDS AND PRICES	10-Oct-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.03	-0.77%	0.00%	-0.86%	-0.64%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.85	-0.00%	-0.01%	-0.03%	0.48%
ROP2021 (Price)	105.99	0.14	0.00	(0.64)	(2.37)
ROP2034 (Price)	134.38	0.37	0.18	(2.54)	3.91
3-Month US Treasury Yield	1.07	0.01%	0.03%	0.04%	0.91%
3-Month German Treasury Bill Yield	(0.79)	-0.01%	-0.13%	-0.06%	-0.28%
Dubai Crude Oil Spot (\$/bbl)	54.16	1.40%	-0.77%	1.84%	68.57%
Gold Spot (\$/oz)	1,288.03	0.32%	1.29%	-4.34%	21.35%

## Upcoming Economic Releases

### Philippines

Date	Event	Period	Prior
10/16/2017	Overseas Remittances YoY	Aug	7.1%
10/18/2017	BoP Overall	Sep	-\$7m

### 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, Reuters, Bloomberg, PSE, CNN, MarketWatch, The Wall Street Journal, CNBC, Business World

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