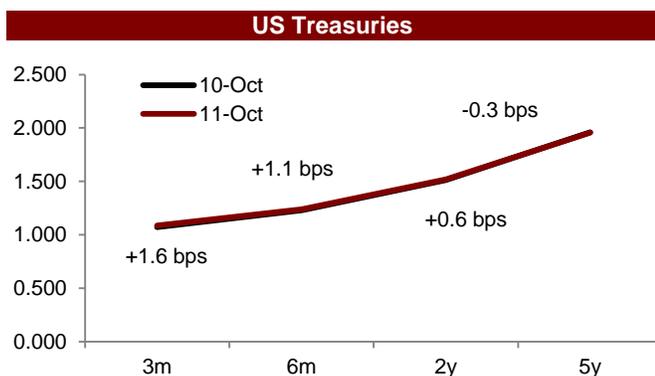
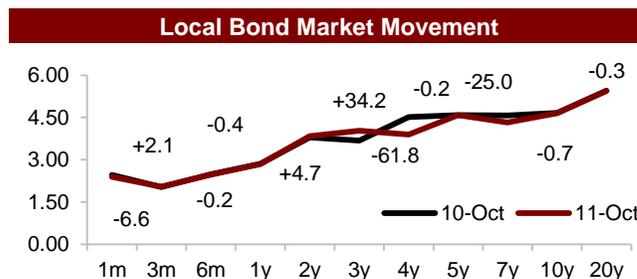
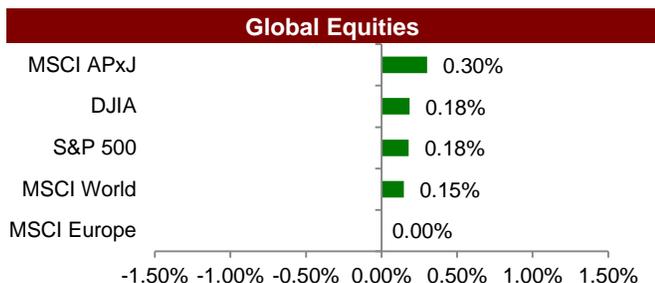
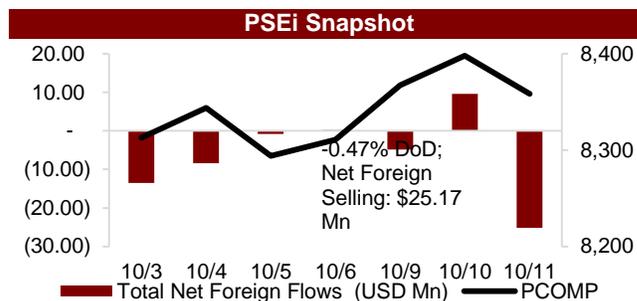


Global equity markets were up on a more tempered political risk in Spain, dovish Fed minutes, and generally strong fundamentals. US Treasuries were mixed with investors perceiving the minutes of the latest Fed meeting as dovish. The US dollar was weaker for the same reason and as investors bought the Euro on calmer politics.

- ✓ The **local equities market** reversed course today on heavy net foreign selling, with financials as the only sector remaining green, led by BDO at +2.49% DoD. This follows the PSEI's all-time high yesterday. The PSEI decreased by 39.57 points or 0.47%, closing at 8,358.47.
- ✓ In the **local fixed income market**, yields of government securities fell across the curve, following the trend in US treasury markets. This comes as investors take profits on high equity levels and switch to safer investments. On average, yields fell by 4.93 bps, led by the belly of the curve which fell by 9.62 bps.

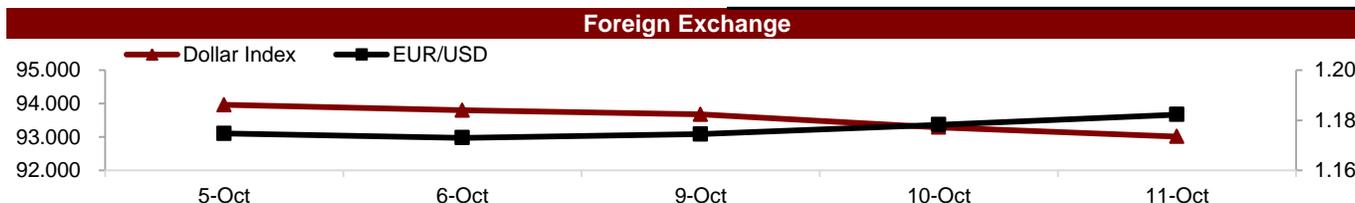


- ✓ **US equities** continued to climb after the September Fed minutes dampened outlook for further interest rate hikes this year. Fed officials stated that it may take time before inflation reaches the 2% target, suggesting that the next hike may be pushed to 2018. The DJIA closed at 22,872.89 (+0.18% DoD) while the S&P 500 was at 2,555.24 (+0.18% DoD).
- ✓ **European equities** were mixed, resulting in the regional index being unchanged. But Spain's stock market rallied as some semblance of calm descended over the political uncertainty grappling the country. The MSCI Europe was unchanged at 131.71.
- ✓ **Asian shares** were up on the back of a broad-based optimism due to strong fundamentals, and cheaper valuations versus markets elsewhere. Taiwan led the gainers as its markets reopened from the local holidays as tech names rebounded after being sold-off on worries on new iPhone sales. The MSCI APxJ closed at 544.87 (+0.30%).

- ✓ The **Philippine peso** strengthened slightly against the dollar as markets were unmoved by the BSP's data release showing weak FDI for July. The USD/PHP closed at 51.350 as the peso rose by 0.18%.
- ✓ The **US dollar** weakened after minutes from the Federal Reserve's September meeting indicated that policy makers were looking to be more cautious in hiking interest rates. The DXY closed at 93.015, down 0.29% DoD.

Foreign Exchange

USD/PHP	Previous Close	51.440
	Close	51.350
EUR/USD	Previous Close	1.1782
	Indicative Rate	1.1843



Key Indicators

YIELDS AND PRICES	11-Oct-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.05	0.02%	0.01%	-0.92%	-0.62%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.85	-0.00%	-0.01%	-0.05%	0.48%
ROP2021 (Price)	105.95	(0.04)	0.00	(0.55)	(2.41)
ROP2034 (Price)	134.48	0.11	0.13	(2.13)	4.01
3-Month US Treasury Yield	1.09	0.02%	0.03%	0.05%	0.93%
3-Month German Treasury Bill Yield	(0.79)	0.00%	-0.09%	-0.10%	-0.27%
Dubai Crude Oil Spot (\$/bbl)	54.95	1.46%	1.82%	5.17%	71.02%
Gold Spot (\$/oz)	1,291.69	0.28%	1.31%	-2.69%	21.69%

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
10/13/2017	US	CPI YoY	Sep	1.9%
10/16/2017	Japan	Industrial Production MoM	Aug	2.1%
10/17/2017	Europe	CPI YoY	Sep	1.5%

Emerging Markets

Date	Country	Event	Period	Prior
10/10-18	China	Money Supply M2 YoY	Sep	8.90%
10/13/2017	China	Trade Balance	Sep	\$41.99b
10/16/2017	Indonesia	Exports YoY	Sep	19.24%

Sources: BPI, Reuters, Bloomberg, PSE, CNN, MarketWatch, The Wall Street Journal, CNBC, Business World

www.bpiassetmanagement.com



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