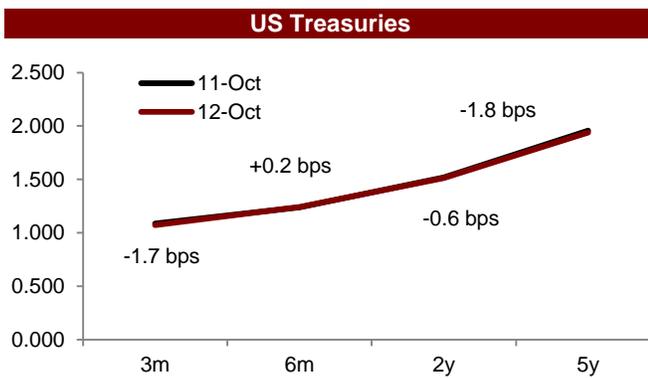
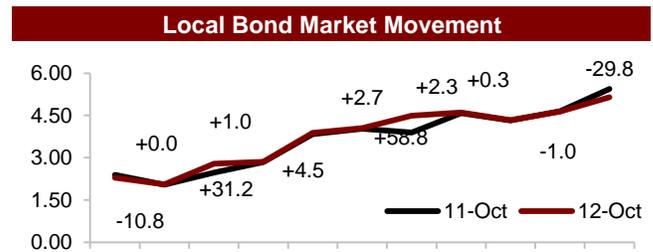
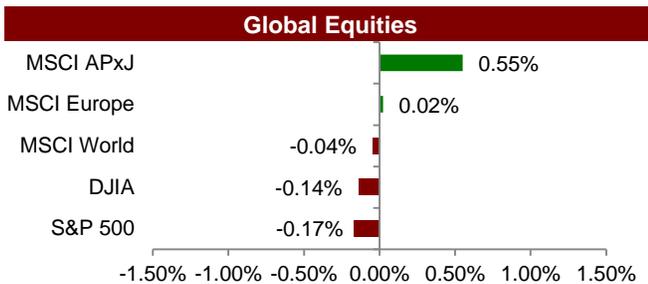
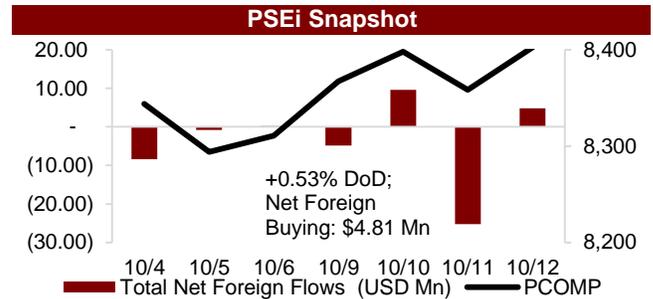


**Asian equities led global stock markets on strong fundamentals and attractive valuations. US stocks pulled back on disappointing third-quarter earnings reports. Both US Treasuries and the dollar inched higher due to investor preference for safer assets.**

- ✓ The **local equities market** hit a new high today after shrugging off yesterday's profit taking and net foreign outflows. The advance is in line with a regional climb in equities following a US Fed release supporting a gradual tightening of monetary policy. The PSEi rose 44.34 points or 0.53%, closing at 8,402.81.
- ✓ In the **local fixed income market**, yields of government securities rose across the curve as investor interest shifted toward risk-on securities on the back of the rising PSEi level. On average, yields rose by 5.38 bps, led by the belly of the curve which rose by 13.71 bps.

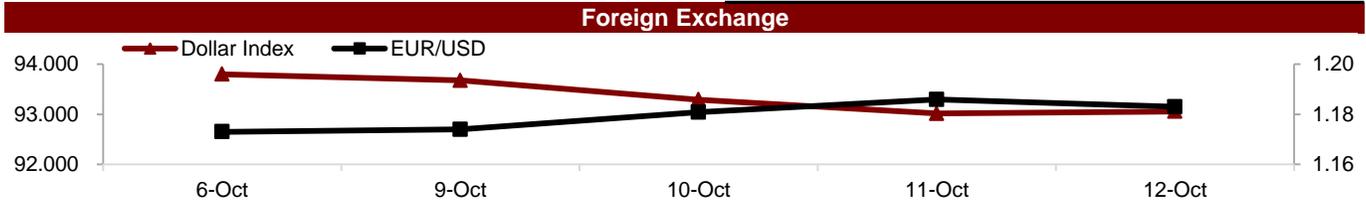


- ✓ **US equities** wavered after a series of gains, following third-quarter results released by Citigroup Inc. and JP Morgan Chase & Co. which raised concerns on trading revenues and consumer credit. The DJIA closed at 22,841.01 (-0.14% DoD) while the S&P 500 was at 2,550.93 (-0.17% DoD).
- ✓ **European equities** inched higher as aggregate industrial production for August came in higher than expected, confirming previous reports of strength in the underlying economy. The MSCI Europe was at 131.74, up 0.02%.
- ✓ **Asian shares** continued to benefit from global risk appetite, and boosted by the strength in the currencies. Data-wise, inflation in India was a little behind consensus but August industrial production surprised to the upside. The MSCI APxJ closed 0.55% higher to 547.87.
- ✓ **US Treasury yields** were flat with a downward bias amid concerns around the planned tax-cuts, after President Trump voiced frustrations. The Fed remains cautious on another 2017 rate hike as well. On average, yields went down by 1.74 bps while the 10-year rose to 2.318% (-3.04 bps).

**Foreign Exchange**

USD/PHP	Previous Close	51.350
	Close	51.430
EUR/USD	Previous Close	1.1823
	Indicative Rate	1.1855

- ✓ The **Philippine peso** weakened slightly against the dollar despite relatively dovish US Fed minutes, as the BSP maintains its subdued outlook on inflation. The USD/PHP closed at 51.430 as the peso fell by 0.16%.
- ✓ The **US dollar** was flat with an upward bias as equity investors moved toward safer assets, and recovering slightly after the sell-off sparked by the release of the Federal Reserve's minutes. The DXY closed at 93.057, up 0.05% DoD.



## Key Indicators

YIELDS AND PRICES	12-Oct-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.05	0.00%	0.02%	-0.92%	-0.62%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.86	0.01%	-0.01%	-0.04%	0.49%
ROP2021 (Price)	105.96	0.01	0.01	(0.51)	(2.40)
ROP2034 (Price)	134.75	0.27	0.50	(1.51)	4.29
3-Month US Treasury Yield	1.08	-0.01%	0.02%	0.05%	0.91%
3-Month German Treasury Bill Yield	(0.75)	0.04%	-0.05%	-0.05%	-0.23%
Dubai Crude Oil Spot (\$/bbl)	55.01	0.11%	0.71%	5.54%	71.21%
Gold Spot (\$/oz)	1,295.02	0.26%	2.18%	-2.76%	22.01%

## 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

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