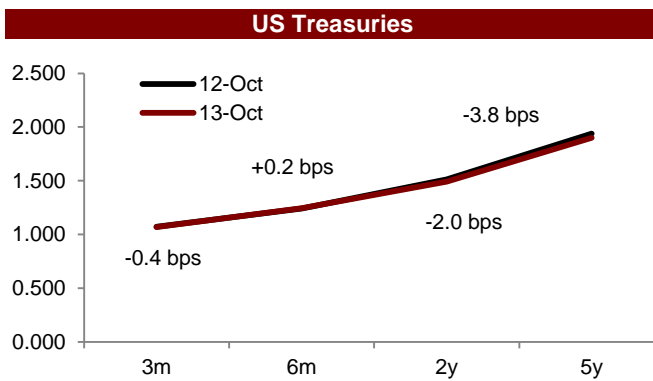
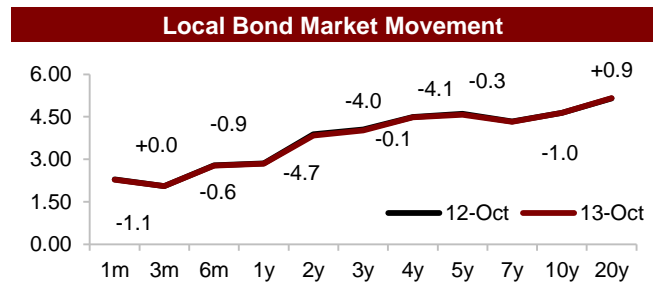
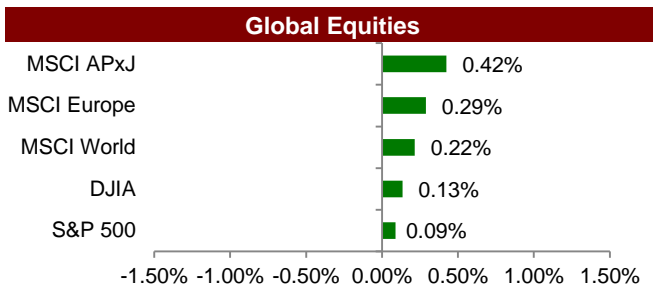
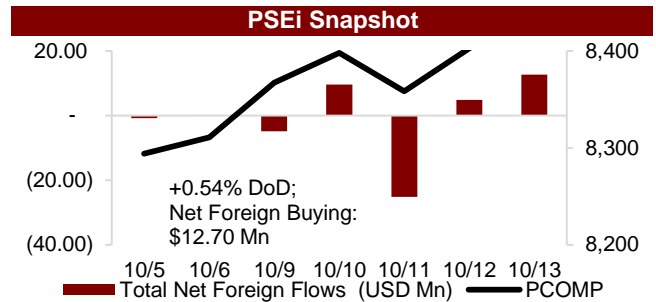


While US equities were flat on Friday due to muted inflation data, other equities were up on the back of encouraging economic data releases and earnings results. US Treasuries were higher due to the low inflation. Lastly, the dollar was flat following Trump's statement on Iran policy.

- ✓ The **local equities market** rose to another all-time high after investors bought up index majors (e.g. SMPH +1.53%, ALI +1.29%, BDO +3.32%, and SM +1.06%). This follows yesterday's strength in Asian equity markets. The PSEi rose 45.13 points or 0.54%, closing at 8,447.94.
- ✓ In the **local fixed income market**, yields of government securities fell across the curve as investor interest for Philippine assets persisted (consistent with a stronger Peso and local equities market). On average, yields fell by 1.44 bps, led by the belly of the curve which fell by 2.64 bps.

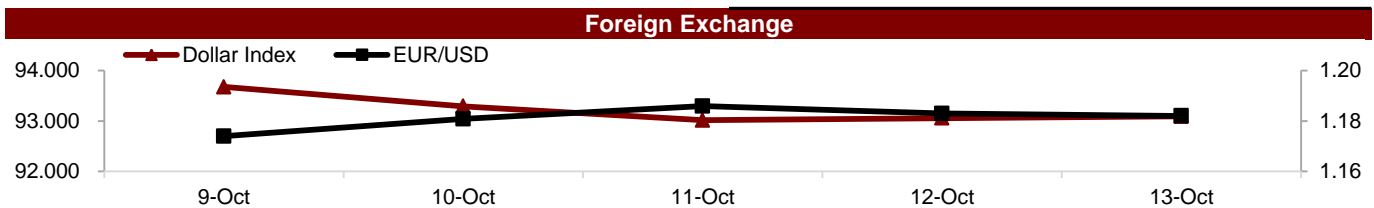


- ✓ **US equities** were flat as the consumer price index tallied 0.5% in September, behind consensus expectations of 0.6%. Meanwhile, retail sales rose 1.6% last month, the largest increase in 2.5 years. The DJIA closed at 22,871.72 (+0.13% DoD) while the S&P 500 closed at 2,553.17 (+0.09% DoD).
- ✓ **European equities** ended Friday higher, boosted by the increase in the share price of Bayer due to the acquisition plans. The MSCI Europe closed at 132.12, up 0.29%.
- ✓ **Asian shares** were up as export and import numbers from China promoted confidence in the region, and as earnings season commences. The MSCIA Asia ex-Japan was at 550.19, up 0.42%.
- ✓ **US Treasury yields** were down following a number of economic releases. Investors continue to question the likelihood of another rate hike as muted CPI data contributes to policy makers' worries over low inflation. On average, yields fell 2.43 bps with the 10-year falling to 2.273%.

- ✓ The **Philippine peso** had an upward bias against the dollar as investors re-positioned following relatively dovish US Fed minutes, and bought up Philippine securities. The USD/PHP closed at 51.390 as the peso rose by 0.08%.
- ✓ The **US dollar** was little changed after the release of muted US inflation data was followed by President Trump's announcement of a more comprehensive Iran policy. The DXY closed at 93.091, up 0.04%.

Foreign Exchange

USD/PHP	Previous Close	51.430
	Close	51.390
EUR/USD	Previous Close	1.1854
	Indicative Rate	1.1831



Key Indicators

YIELDS AND PRICES	13-Oct-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.05	0.00%	-0.78%	-0.01%	-0.62%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.85	-0.01%	-0.00%	-0.06%	0.48%
ROP2021 (Price)	105.92	(0.04)	(0.05)	(0.54)	(2.44)
ROP2034 (Price)	134.63	(0.07)	0.58	(1.51)	4.16
3-Month US Treasury Yield	1.07	-0.00%	0.01%	0.03%	0.90%
3-Month German Treasury Bill Yield	(0.74)	0.03%	-0.06%	-0.07%	-0.23%
Dubai Crude Oil Spot (\$/bbl)	55.53	0.93%	0.78%	4.67%	72.83%
Gold Spot (\$/oz)	1,304.57	0.84%	2.19%	-1.41%	22.91%

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
10/16/2017	Japan	Industrial Production MoM	Aug	2.1%
10/17/2017	US	Industrial Production MoM	Sep	-0.9%
10/17/2017	Europe	CPI YoY	Sep	1.5%

Emerging Markets

Date	Country	Event	Period	Prior
10/16/2017	China	CPI YoY	Sep	1.8%
10/20/2017	Brazil	IBGE Inflation IPCA-15 MoM	Oct	0.11%
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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