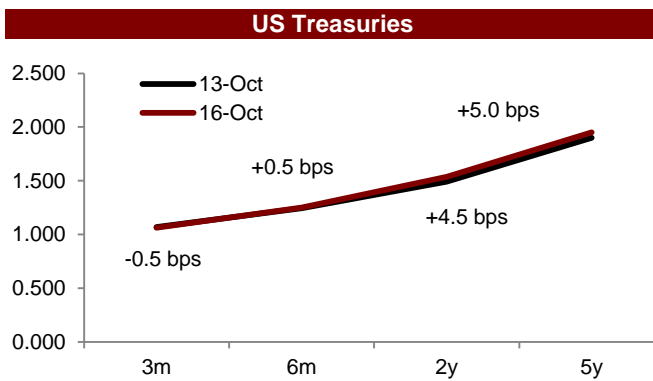
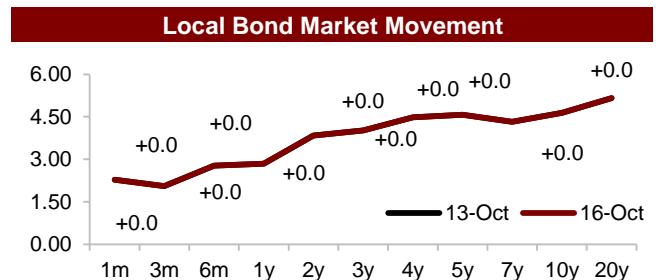
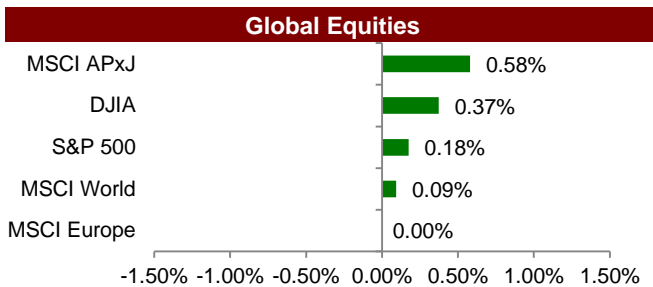
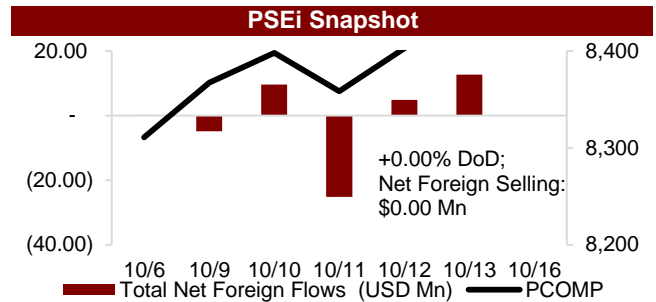


Some global equity indices reached fresh highs following encouraging data, and as investors await earnings to see if lofty valuations are justified. US Treasuries declined as risk-on sentiment ensues. The US dollar strengthened on capital inflows.

- ✓ The **local equities market** was unchanged for the day as trading was suspended due to a transport strike. The PSEI closed last week at 8,447.94. Last Friday's best performers were BDO, SECB, and MBT, while the worst were SCC, DMC, and AGI.
- ✓ In the **local fixed income market**, yields were unchanged for the day as trading was suspended due to a transport strike. The 10YR government bond closed at 4.6344% last week.

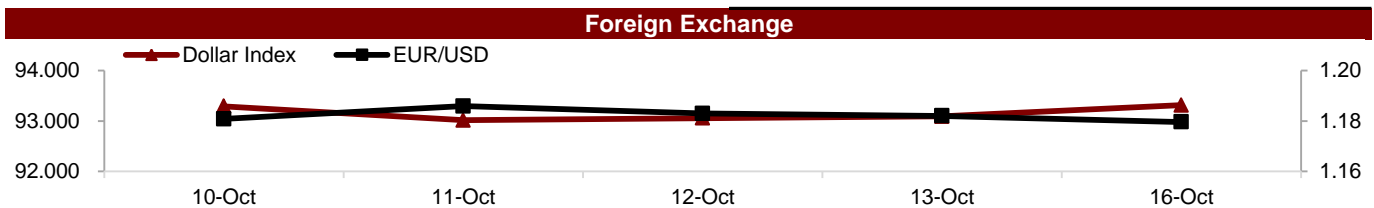


- ✓ **US equities** hit new highs with investors taking strong bets while awaiting corporate earnings releases. The Empire State manufacturing index posted 30.2 for October, the highest level in three years and well ahead of the expected 20.4 level, reflecting business optimism for the sector. The DJIA closed at 22,956.96 (+0.37% DoD) while the S&P 500 closed at 2,557.64 (+0.18% DoD).
- ✓ **European equities** hardly moved, pulled back by the sell-off in Spain after the failure of Catalan leader Puigdemont to clarify their stance on declaring independence. The MSCI Europe ended at the 132.12 level.
- ✓ Some **Asian markets** reached new peaks following the benign inflation report in the US, resulting in a weaker Yen that boosted appetite for the region, and ahead of the 19th Communist Party Congress in China starting Wednesday. The MSCI APxJ was up 0.58% to 553.38.
- ✓ **US Treasury yields** were up as investors took a risk-on stance, and news spread that President Trump would be meeting with Janet Yellen this week to discuss her potentially staying on as Fed Chair, which would be relatively hawkish. On average, yields climbed 2.39 bps with the 10-year rising to 2.303%.

- ✓ The **Philippine peso** was unchanged for the day as trading was suspended due to a transport strike. The USD/PHP closed last week at 51.390.
- ✓ The **US dollar** strengthened as equity investments poured in, and investors mulled over a potentially hawkish Fed in the future should Janet Yellen be reappointed. The DXY closed at 93.312, up 0.24%.

**Foreign Exchange**

USD/PHP	Previous Close	51.390
	Close	51.390
EUR/USD	Previous Close	1.1820
	Indicative Rate	1.1813



## Key Indicators

YIELDS AND PRICES	16-Oct-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.05	0.00%	-0.75%	-0.86%	-0.62%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.85	0.00%	-0.01%	-0.05%	0.48%
ROP2021 (Price)	106.04	0.11	0.19	(0.41)	(2.32)
ROP2034 (Price)	134.96	0.33	0.95	(0.91)	4.49
3-Month US Treasury Yield	1.07	0.00%	0.01%	0.04%	0.91%
3-Month German Treasury Bill Yield	(0.73)	0.02%	0.06%	-0.04%	-0.21%
Dubai Crude Oil Spot (\$/bbl)	55.97	0.79%	4.79%	3.25%	74.20%
Gold Spot (\$/oz)	1,305.94	0.11%	1.72%	-1.08%	23.04%

## Upcoming Economic Releases

### Philippines

Date	Event	Period	Prior
10/19/2017	BoP Overall	Sep	-\$7m
10/19/17 - 10/30/17	Budget Balance PHP	Sep	PHP28.8b

### Developed Markets

Date	Country	Event	Period	Prior
10/17/2017	US	Industrial Production MoM	Sep	-0.9%
10/17/2017	Europe	CPI YoY	Sep	1.5%
10/19/2017	Japan	All Industry Activity Index MoM	Aug	-0.1%

### Emerging Markets

Date	Country	Event	Period	Prior
10/19/2017	China	GDP YoY	3Q	6.9%
10/20/2017	Malaysia	CPI YoY	Sep	3.7%
10/20/2017	Brazil	IBGE Inflation IPCA-15 MoM	Oct	0.11%

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