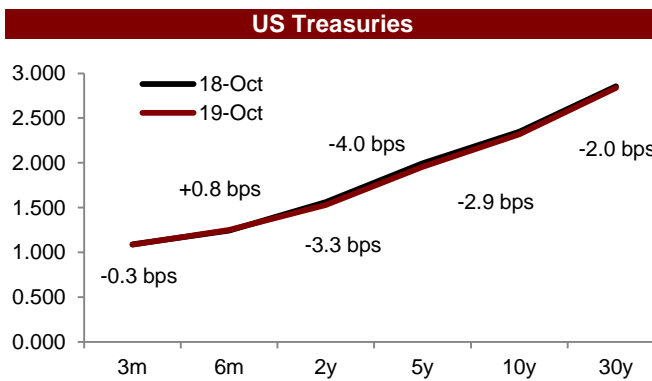
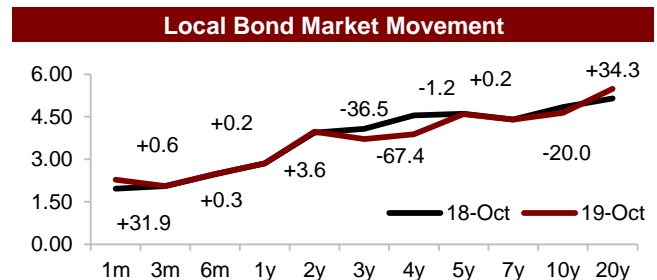
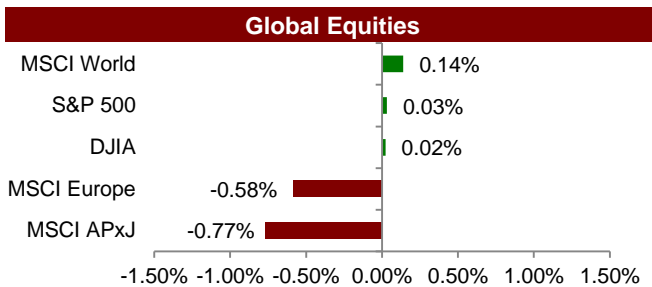
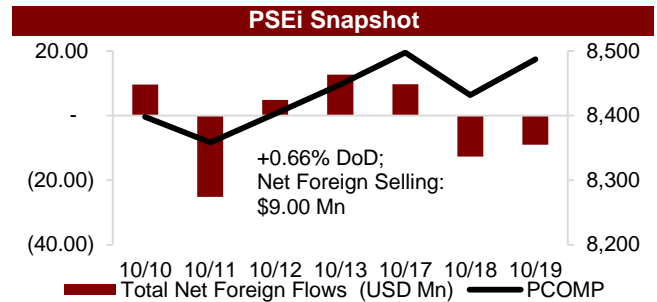


Global equity markets were mixed amid escalating tensions in Europe and disappointing data from China. US Treasury yields fell as investors focused on the decline in the index of leading US economic indicators. Further, the dollar was little changed despite strong jobs data.

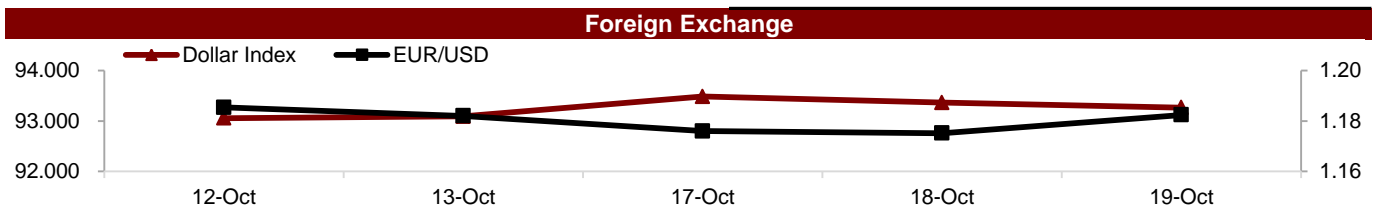
- ✓ The **local equities market** reversed direction today as after yesterday's profit taking. Investors picked up Financials (+1.43% DoD) and Holding Firms (+0.81% DoD), especially LTG (+4.85% DoD) and AC (+4.30% DoD). The PSEi rose 55.64 points or 0.66%, closing at 8,487.37.
- ✓ In the **local fixed income market**, yields of government securities fell as investors continued to shift toward risk-off assets. Continued issuances of LTNCDs by the banks (such as BPI's announcement today) appeal to investor demand for yield. On average, yields fell by 4.91 bps, led by the belly of the curve which was down 20.28 bps.



- ✓ **US equities** were flat amid tensions in Europe and lackluster data in China. Stocks only rebounded late in the trading session, lifted mostly by robust corporate earnings. The Dow Jones Industrial Average closed at 23,163.04 (+0.02% DoD) while the S&P 500 was at 2,562.10 (+0.03% DoD).
- ✓ **European equities** closed at their lowest level in three weeks as tensions in Spain escalated. Spain's government looks to suspend Catalonia's autonomy on Saturday after failure to drop its push for independence. The MSCI Europe ended at 131.44 (-0.58% DoD).
- ✓ **Asian equities** were mostly down following reports of slower growth in China. Data showed China's economic expansion slowing down to 6.8% in the third quarter from 6.9% previously. The MSCI APxJ ended at 548.49 (-0.77% DoD).
- ✓ **US Treasury yields** marginally fell as investors focused on the decline in the leading index indicator for the US. The index fell 0.2% for September compared to an increase of 0.4% in the previous month and expectations of 0.1%. On average, yields fell 1.93 bps with the 10-year falling to 2.3178%.

- ✓ The **Philippine peso** weakened as statements by the BSP Governor on increasing banking liquidity acted as a downward lever on the currency. The USD/PHP closed at 51.530 as the peso weakened by 0.24%.
- ✓ The **US dollar** was flat with a slight downward bias despite an unexpected strength in jobs (initial jobless claims of 222k compared to expectations of 240k) and manufacturing data as the leading indicator tempers expectations for US resurgence. The DXY closed at 93.266 (-0.10% DoD).

Foreign Exchange		
USD/PHP	Previous Close	51.405
	Close	51.530
EUR/USD	Previous Close	1.1752
	Indicative Rate	1.1806



Key Indicators

YIELDS AND PRICES	19-Oct-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.06	0.01%	0.01%	-0.00%	-0.61%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.85	0.00%	-0.01%	-0.28%	0.48%
ROP2021 (Price)	105.87	(0.05)	(0.09)	(0.48)	(2.49)
ROP2034 (Price)	134.51	(0.07)	(0.19)	(1.22)	4.04
3-Month US Treasury Yield	1.09	-0.00%	0.01%	0.06%	0.92%
3-Month German Treasury Bill Yield	(0.78)	-0.04%	-0.01%	-0.12%	-0.26%
Dubai Crude Oil Spot (\$/bbl)	55.63	-1.17%	1.11%	2.62%	73.14%
Gold Spot (\$/oz)	1,290.09	0.70%	-0.28%	-1.60%	21.54%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
10/23/17 - 10/25/17	Budget Balance PHP	Sep	PHP28.8b

Developed Markets

Date	Country	Event	Period	Prior
10/20/2017	US	Existing Home Sales	Sep	23.8
10/23/2017	Europe	Consumer Confidence	Oct	5.35m
10/24/2017	Japan	Nikkei Japan PMI Mfg	Oct	52.9

Emerging Markets

Date	Country	Event	Period	Prior
10/20/2017	Malaysia	CPI YoY	Sep	3.7%
10/20/2017	Brazil	IBGE Inflation IPCA-15 MoM	Oct	0.11%
10/27/2017	China	Industrial Profits YoY	Sep	24.0%

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

www.bpiassetmanagement.com



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