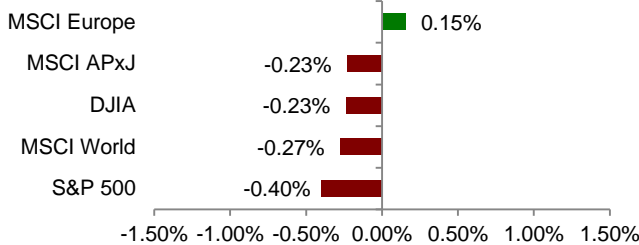


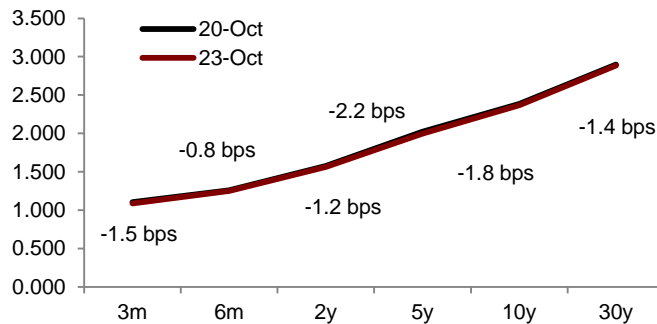
**Global equity markets were broadly lower as investors priced in corporate earnings reports. US Treasury yields pulled back as investors contemplated the Fed's succession. The US dollar was stronger in light of optimism on the tax reform and boosted by the weakness in other major currencies.**

- ✓ The **local equities market** declined for the second time in a row as investors continued profit-taking amidst elevated valuations. However, Ayala Land, Inc. (PSE ticker: ALI) bucked the trend as it gained 1.74% DoD and is the most actively traded security. The PSEi fell 72.63 points or 0.86%, closing at 8,348.32.
- ✓ In the **local fixed income market**, yields of government securities fell, bucking trends in overnight markets. Strong economic data in the US, the presence of hawkish contenders for the FOMC chairperson role, and inflationary concerns in the Philippines were key considerations. On average, yields fell by 6.33 bps, led by the short-end of the curve which declined 12.36 bps.

### Global Equities

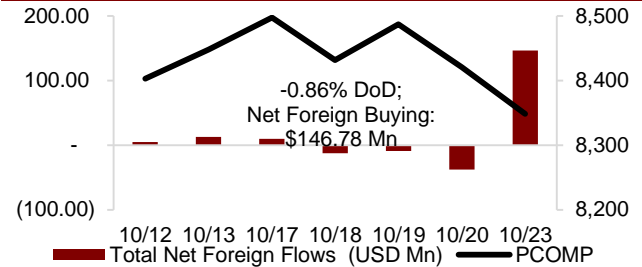


### US Treasuries

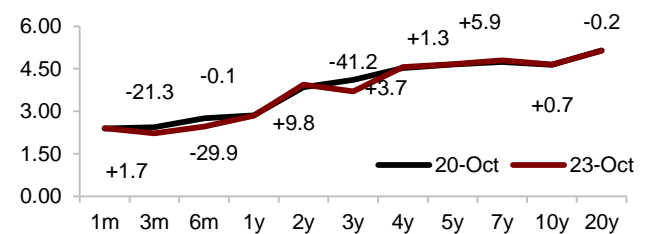


- ✓ The **Philippine peso** was flat with a slight downward bias as investors took notice of strong US economic data and the potential for a more hawkish FOMC chairperson. The USD/PHP closed at 51.510, the PHP strengthening 0.12%.
- ✓ Weakness in the euro and the yen along with prospects of tax reform in the US kept the **dollar** strong. The DXY ended at 93.936, up 0.25% day-on-day.

### PSEi Snapshot



### Local Bond Market Movement

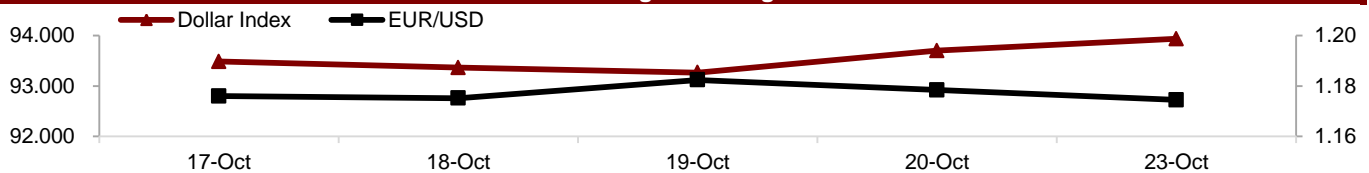


- ✓ **US equities** ended its 6-day winning streak as investors took profit amid corporate earnings releases. The best performing sector was utilities (+0.20%) and the worst performing was telcos (-0.78%). The Dow Jones Industrial Average closed at 23,273.96 (-0.23% DoD) while the S&P 500 was at 2,564.98 (-0.40% DoD).
- ✓ **European equities** continued to inch up as the euro remained under pressure in light of developments in Spain. The MSCI Europe ended at 131.99 (+0.15% DoD).
- ✓ **Asian equities** pulled back following data showing that property sector is cooling down in China; this is part of the government's thrust to curb speculation. The MSCI APxJ ended at 549.16 (-0.23% DoD).
- ✓ **US Treasury yields** fell as investors purchased bonds ahead of Trump's Fed Chair pick. On average, yields fell 1.48 bps with the 10-year closing at 2.3664% (-1.81 bps).

### Foreign Exchange

USD/PHP	Previous Close	51.450
	Close	51.510
EUR/USD	Previous Close	1.1784
	Indicative Rate	1.1740

### Foreign Exchange



## Key Indicators

YIELDS AND PRICES	23-Oct-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.23	-0.21%	0.18%	-0.53%	-0.44%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.85	-0.00%	-0.00%	-0.04%	0.48%
ROP2021 (Price)	105.68	(0.15)	(0.38)	(0.54)	(2.68)
ROP2034 (Price)	133.87	(0.26)	(1.10)	(1.67)	3.40
3-Month US Treasury Yield	1.09	-0.02%	0.03%	0.07%	0.92%
3-Month German Treasury Bill Yield	(0.79)	0.01%	-0.05%	-0.12%	-0.27%
Dubai Crude Oil Spot (\$/bbl)	55.54	1.48%	-0.77%	1.02%	72.86%
Gold Spot (\$/oz)	1,282.24	0.14%	-0.99%	-1.17%	20.80%

## Upcoming Economic Releases

### Philippines

Date	Event	Period	Prior
10/31/2017	Bank Lending YoY	Sep	17.9%
11/7/2017	CPI YoY	Oct	3.4%

### Developed Markets

Date	Country	Event	Period	Prior
10/24/2017	Europe	Markit Eurozone Manufacturing PMI SA	Oct	58.1
10/24/2017	US	Markit US Manufacturing PMI	Oct	53.1
10/27/2017	US	National CPI YoY	Sep	0.7%

### Emerging Markets

Date	Country	Event	Period	Prior
10/25/2017	Brazil	Selic Rate	Oct	8.25%
10/27/2017	China	Industrial Profits YoY	Sep	24.0%
10/31/2017	China	Manufacturing PMI	Oct	52.4%

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

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