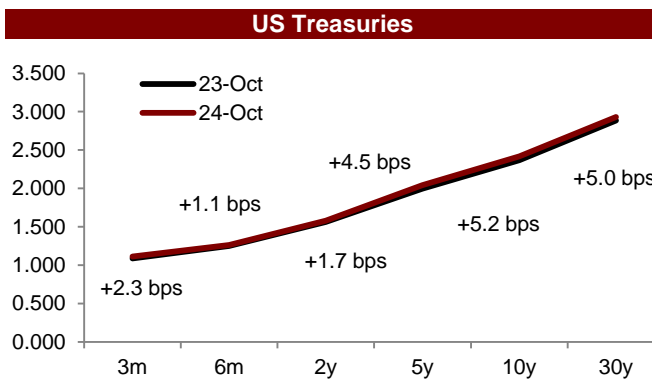
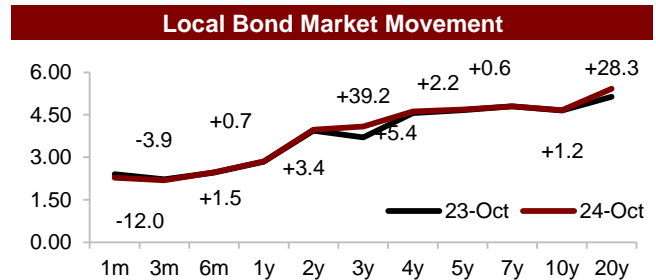
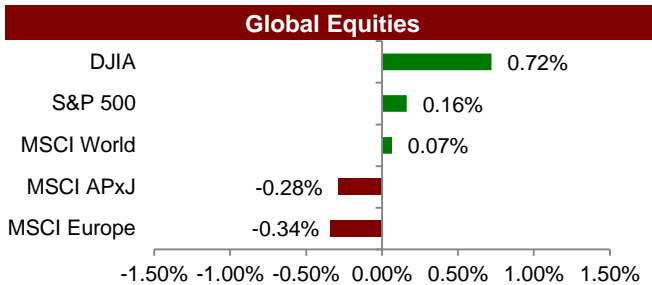
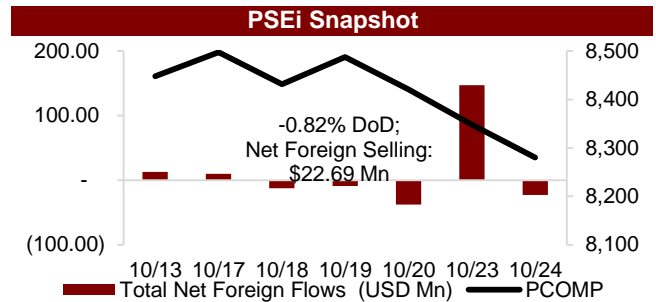


Global equity markets were mixed: positive corporate earnings provided support while subdued economic indicators tempered optimism. US Treasuries were weaker as investors took a step back ahead of the ECB meeting. The dollar was also softer on talks of some senators opposing the tax changes.

- ✓ The **local equities** market continued its decline as investors retreat from the index's high. The repositioning comes as we enter the 3Q earnings season, with the first earnings releases to occur this week. The PSEi fell 68.40 points or 0.82%, closing at 8,279.92.
- ✓ In the **local fixed income market**, yields of government securities rose following yesterday's T-bill auction. The Bureau of Treasury received offers totaling more than three times the government target. On average, yields rose by 6.05 bps, led by the belly of the curve which rose 10.15 bps.

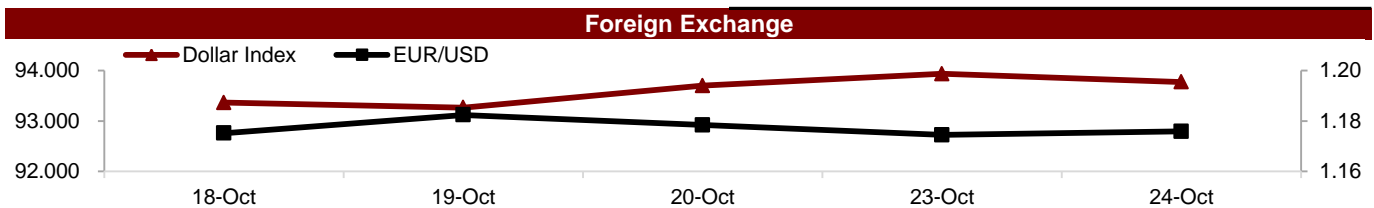


- ✓ **US equities** returned to positive territory following another round of corporate earnings results. Among the biggest gainers for the session were Caterpillar Inc. and 3M Co. as both beat consensus expectations. The Dow Jones Industrial Average was at 23,441.76 (+0.72% DoD) while the S&P 500 was at 2,569.13 (+0.16% DoD).
- ✓ **European equities** pulled back following some softness in the leading indicator of region's economic activity, primarily driven by the pullback in services and the implied weakness in the non-core countries. The MSCI Europe ended at 131.54 (-0.34% DoD).
- ✓ **Asian equities** retreated as optimism following Japan's elections was tempered by subdued data: leading indicators show some deceleration in manufacturing. The MSCI APxJ ended at 547.60 (-0.28% DoD).
- ✓ **US Treasury yields** rose with the 10-year reaching its five-month high. Investors sold-off bonds in anticipation of the ECB policy meeting later this week. On average, yields rose 3.30 bps with the 10-year rising to 2.4189%.

- ✓ The **Philippine peso** was flat with a slight downward bias on a lack of strong leads, and amid net foreign selling in the equity market. Investors also noted a potentially strong USD moving forward. The USD/PHP closed at 51.540, the PHP weakening 0.06%.
- ✓ The **US dollar** fell slightly after a report came out that a number of senators aren't keen on backing Trump's tax bill. The DXY closed at 93.772, down 0.17% day-on-day.

Foreign Exchange

USD/PHP	Previous Close	51.510
	Close	51.540
EUR/USD	Previous Close	1.1745
	Indicative Rate	1.1754



Key Indicators

YIELDS AND PRICES	24-Oct-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.19	-0.04%	0.14%	-0.57%	-0.48%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.86	0.01%	0.01%	-0.04%	0.49%
ROP2021 (Price)	105.71	0.04	(0.27)	(0.51)	(2.65)
ROP2034 (Price)	133.88	0.01	(0.78)	(1.66)	3.41
3-Month US Treasury Yield	1.11	0.02%	0.02%	0.09%	0.95%
3-Month German Treasury Bill Yield	(0.80)	-0.01%	-0.03%	-0.13%	-0.28%
Dubai Crude Oil Spot (\$/bbl)	55.12	-0.76%	-1.96%	0.25%	71.55%
Gold Spot (\$/oz)	1,276.83	-0.42%	-0.61%	-1.59%	20.29%

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
10/26/2017	Europe	ECB Main Refinancing Rate	Oct-26	0.000%
10/27/2017	US	GDP Annualized QoQ	3Q	3.1%
10/27/2017	Japan	Tokyo CPI Ex-Fresh Food YoY	Oct	0.5%

Emerging Markets

Date	Country	Event	Period	Prior
10/27/2017	China	Industrial Profits YoY	Sep	24.0%
10/31/2017	China	Manufacturing PMI	Oct	52.4%
10/31/2017	Indonesia	Money Supply M1 / M2 YoY	Sep	12.3% / 10.0%

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

www.bpiassetmanagement.com



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