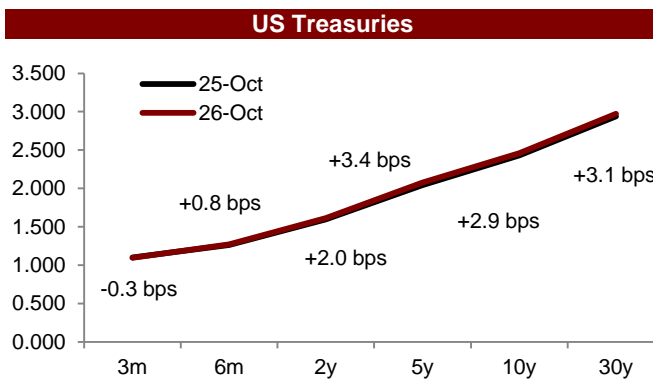
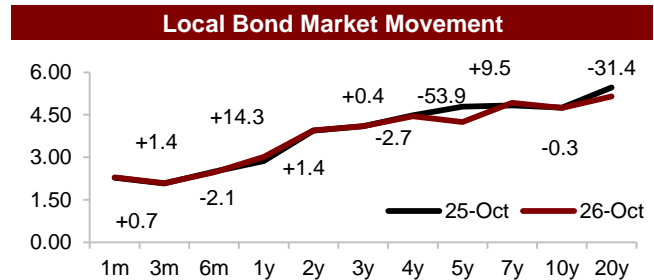
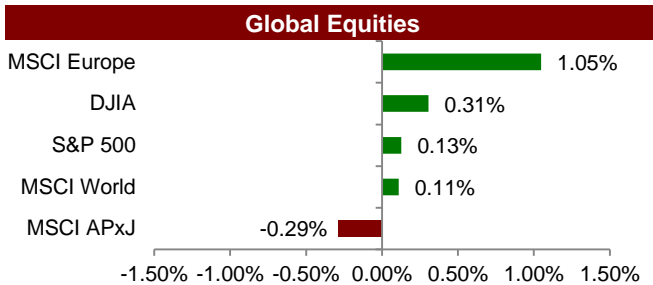
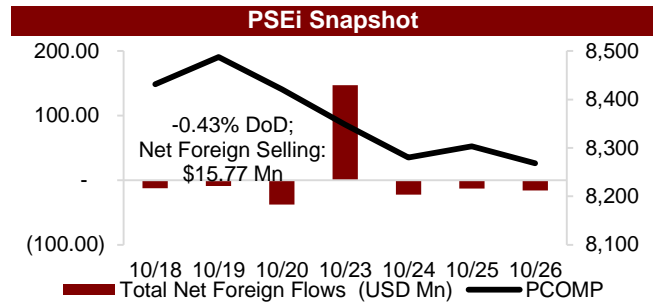


Global equity markets were mostly higher owing to US tax reform progress and the ECB's dovish QE plan. Consequently, the US dollar and Treasury yields rose on overall risk-on sentiment.

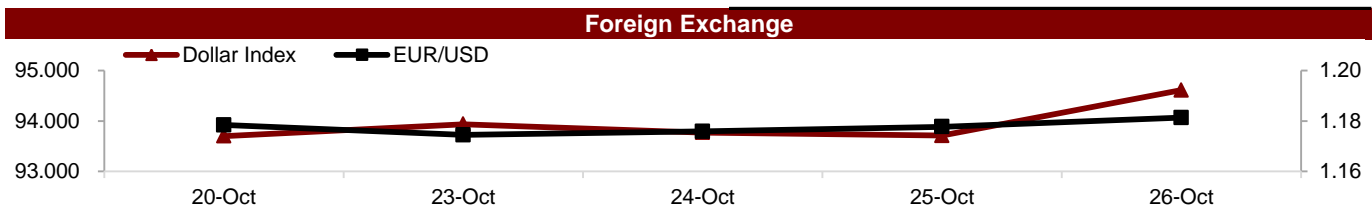
- ✓ The **local equities market** reversed, erasing gains registered the day prior after investors succumb to profit-taking. The decline was led by Metro Pacific, which trails the benchmark by 21.3% YTD. The PSEi lost 35.43 points or 0.43%, closing at 8,267.92.
- ✓ In the **local fixed income market**, yields of government securities fell, opposite the rise in US yields, due to bargain hunting for specific tenors. On average, yields fell by 5.71 bps, as the curve corrected yesterday's steepening, with the long-end down 10.56 bps.



- ✓ **US equities** ended higher on increasing hopes of tax reform coupled with a round of positive earnings, with Twitter and Ford both beating expectations. The Dow Jones Industrial Average closed at 23,400.86 (+0.31% DoD) while the S&P 500 was at 2,560.40 (+0.13% DoD).
- ✓ **European equities** rallied following the European Central Bank's dovish QE plan. The ECB announced that it will reduce monthly bond purchases starting January but will extend QE to at least September 2018. The MSCI Europe ended at 132.12 (+1.05% DoD).
- ✓ **Asian equities** were mostly down after Wall Street's overnight loss, and as investors looked ahead to the ECB's policy meeting. The MSCI APxJ ended at 546.13 (-0.29% DoD).
- ✓ **US Treasury yields** rose on news of tax reform progress, and amid weak demand during the US 7-year auction--sold at a high yield of 2.280%. On average, yields rose 1.98 bps with the 10-year rising to 2.461% (+2.92 bps DoD).

- ✓ The **Philippine peso** was flat, taking pause after yesterday's plummet. The BSP reiterated that it is comfortable with current levels, and remains ready to tactically intervene to reduce volatility. The USDPHP closed at 51.750, strengthening 0.04% DoD.
- ✓ The **US dollar** strengthened as the House of Representatives narrowly approved the Senate's budget, a crucial step for the administration's tax plan. The DXY closed at 94.612, up 0.96% day-on-day.

Pair	Previous Close	Current Rate
USD/PHP	51.770	51.750
EUR/USD	1.1777	1.1818



Key Indicators

YIELDS AND PRICES	26-Oct-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.09	0.01%	0.03%	0.05%	-0.58%
1-Year Philippine Treasury Bill Yield (PDST-R2)	3.01	0.14%	0.16%	0.15%	0.64%
ROP2021 (Price)	105.51	(0.05)	(0.36)	(0.70)	(2.85)
ROP2034 (Price)	133.61	0.06	(0.90)	(2.14)	3.15
3-Month US Treasury Yield	1.10	-0.00%	0.01%	0.05%	0.93%
3-Month German Treasury Bill Yield	(0.80)	0.00%	-0.02%	-0.11%	-0.28%
Dubai Crude Oil Spot (\$/bbl)	56.28	0.45%	1.17%	-1.21%	75.16%
Gold Spot (\$/oz)	1,266.97	-0.82%	-1.79%	-2.10%	19.37%

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
10/27/2017	US	GDP Annualized QoQ	3Q	3.1%
10/30/2017	Europe	Consumer Confidence	Oct	-1.0
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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