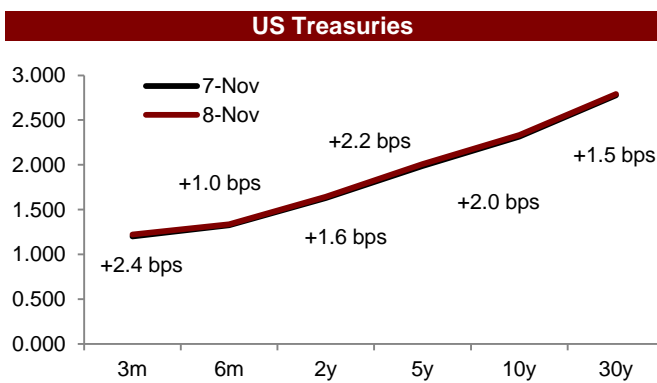
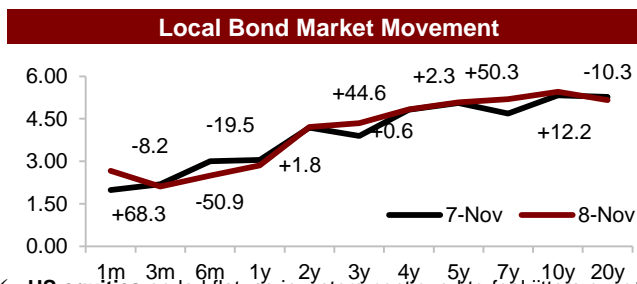
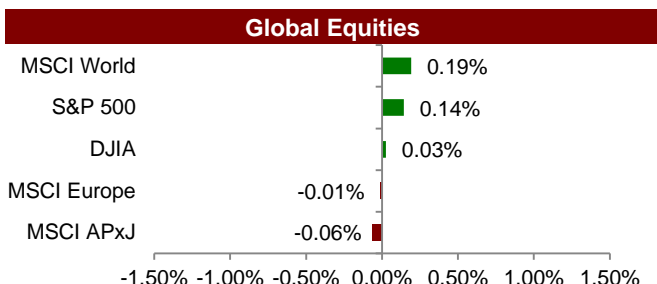
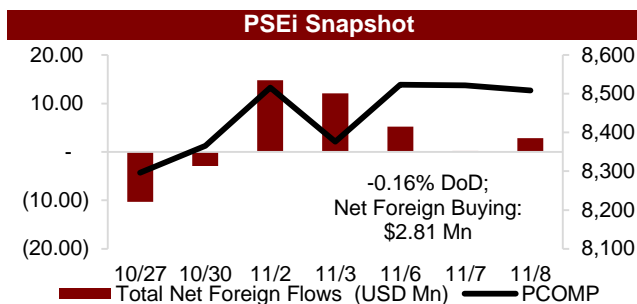


Global equities ended mixed and US Treasury yields rose as investors remain concerned over the passage of the Republican Tax Reform Bill and on weaker-than-expected economic data from the US and China. Meanwhile, the US dollar weakened on a lower US Mortgage Applications print.

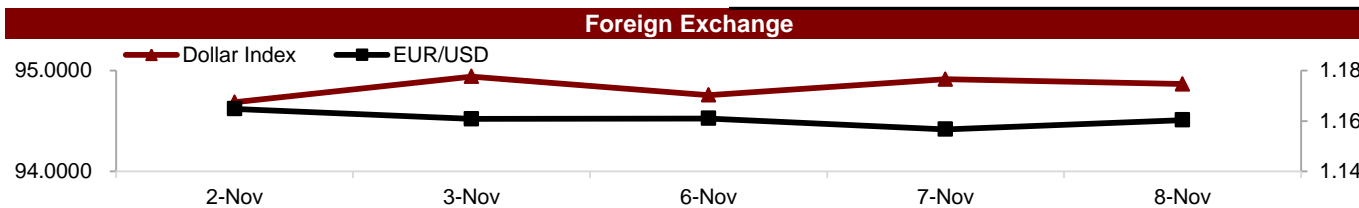
- ✓ **Local equities** traded in negative territory as investors continued to take profit amid a fresh stream of earnings releases. The PSEi ended at 8,508.49 (-0.16%).
- ✓ In the **local fixed income market**, yields broadly rose, except on the short end, as traders continued to be cautious on rising global interest rates. There was moderate buying of T-bills in the secondary market after BSP's affirmation that inflation will stay within the 2 to 4% target. Yields rose by an average of 8.30 bps while the short end fell by 2.55 bps.



- ✓ **US equities** ended flat, as investors continued to feel jitters over the passage of the Republicans' tax reform bill, as Democrats won additional governor seats in elections held last Tuesday. This dims prospects of a corporate tax cut in the near term. The Dow Jones Industrial Average closed at 23,563.36 (+0.03% DoD) while the S&P 500 ended at 2,594.38 (+0.14% DoD).
- ✓ **European equities** finished mixed as the stream of more upbeat earnings releases were weighted down by doubts surrounding the U.S. tax reform. The MSCI Europe closed marginally lower to 133.26 (-0.01% DoD).
- ✓ **Asian equities** were mixed as China's October trade data showed slower growth in both imports and exports. This may be a signal of a possible cool down in China's economy after a strong first half, hurting investor sentiment. The MSCI Asia ex-Japan fell to 560.37 (-0.06% DoD).
- ✓ **US Treasury yields** rose on worries over reports that the implementation of the Republican tax reform bill may be delayed by over a year. On average, yields increased 1.78 bps with the 10-year expanding to 2.33% (+1.98 bps DoD).

- ✓ The **Philippine Peso** marginally strengthened versus the US dollar as concerns mounted on a potential delay in the passage of the Republican Party's tax reform bill. The local currency appreciated by 0.06% to 51.300.
- ✓ The **US dollar** fell as US Mortgage Applications shrank to its lowest level since February, to 389.7 from 389.8 in the prior week. The DXY edged lower at 94.87 (-0.05% DoD) while the EURUSD ended higher at 1.1597 (+0.26%DoD).

Pair	Previous Close	Current Rate
USD/PHP	51.330	51.300
EUR/USD	1.1567	1.1597



Key Indicators

YIELDS AND PRICES	8-Nov-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.19	0.00%	0.07%	-0.63%	-0.47%
1-Year Philippine Treasury Bill Yield (PDST-R2)	3.05	0.00%	0.20%	0.20%	0.68%
ROP2021 (Price)	105.47	(0.02)	(0.07)	(0.50)	(2.89)
ROP2034 (Price)	133.57	(0.10)	(0.07)	(0.47)	3.10
3-Month US Treasury Yield	1.20	-0.00%	0.04%	0.14%	1.03%
3-Month German Treasury Bill Yield	(0.79)	0.00%	0.01%	-0.11%	-0.27%
Dubai Crude Oil Spot (\$/bbl)	61.90	0.00%	4.19%	12.34%	92.65%
Gold Spot (\$/oz)	1,276.81	0.12%	0.17%	0.02%	20.29%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
11/9/2017	BSP Overnight Borrowing Rate	Oct	3.0%
11/15/2017	Overseas Remittances YoY	Sep	7.8%

Developed Markets

Date	Country	Event	Period	Prior
11/9/2017	US	Initial Jobless Claims	Nov	229k
11/14/2017	Germany	GDP SA YoY	3Q P	0.6%
11/10/2017	Japan	Tertiary Industry Index MoM	Sep	-0.2%

Emerging Markets

Date	Country	Event	Period	Prior
11/10/2017	India	Industrial Production YoY	Sep	4.3%
11/9/2017	China	CPI YoY	Oct	1.6%
11/10/2017	Indonesia	BoP Current Account Balance	3Q	-\$4693mn

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

www.bpiassetmanagement.com

