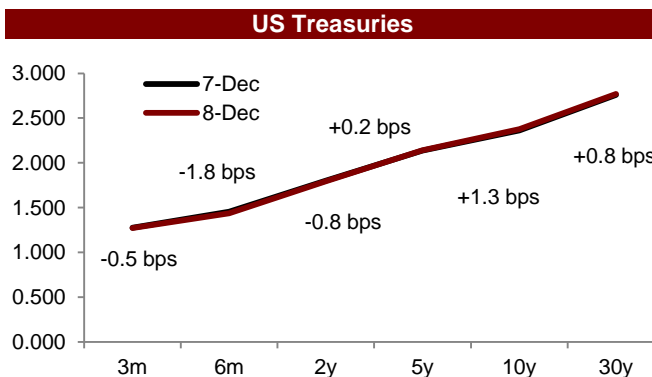
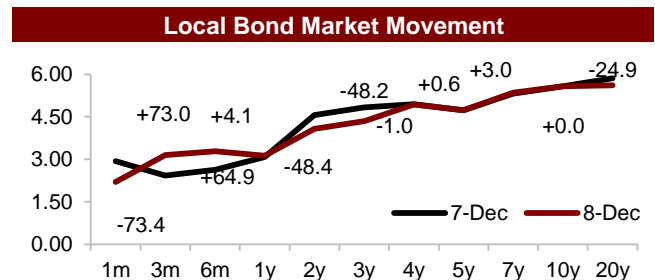
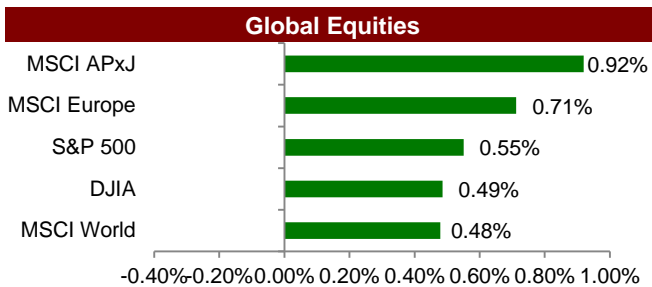
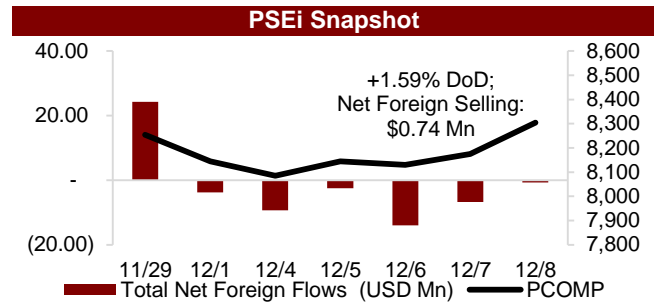


Global equities, US Treasuries, and the US dollar improved amid progress in the Brexit negotiations, a decline in the prospects of a US government shutdown, and encouraging US jobs data.

- ✓ **Local equities** were up, tracking overnight markets, as momentum appears to have reversed the downtrend from last week. The most active securities include 2017 laggards such as URC (+5.88% DoD) and GTCAP (+3.98% DoD). The PSEi ended at 8,304.70 (+1.59% DoD).
- ✓ In **local fixed income markets**, yields fell, led by the belly (-18.79 bps) as investors repositioned to take advantage of relative bargains across the curve. Stronger trade figures supported a likely decline in term premium. On average, yields lost 4.57 bps.

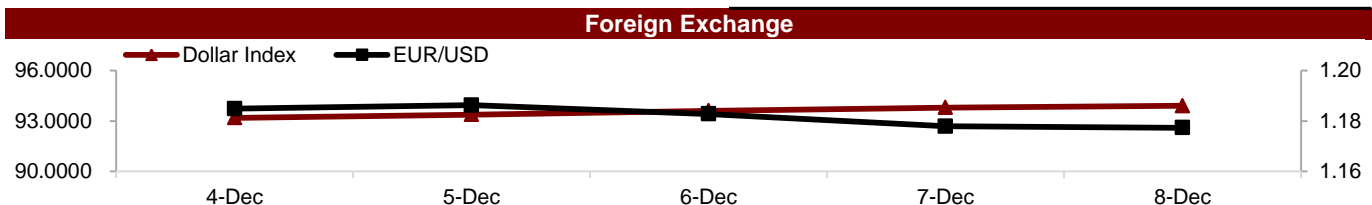


- ✓ **US equities** closed higher following the release of jobs data. 228,000 jobs were created in November (consensus: 200,000), while the unemployment rate remained unchanged at 4.1%. The DJIA closed at 24,329.16 (+0.49% DoD) while the S&P 500 was at 2,651.50 (+0.55% DoD).
- ✓ **European stocks** gained, led by the banking sector, after President Jean-Claud Juncker of the European Commission announced that sufficient progress had been made on three key issues in Brexit negotiations to allow the talks to advance to their next phase. The MSCI Europe Index ended at 131.44 (+0.71% DoD).
- ✓ **Asian stock markets** ended higher, after early weakness in China and Korea reversed as the prospects of a US government shutdown were erased. The MSCI APxJ Index closed at 549.63 (+0.92% DoD).
- ✓ **US Treasury yields** were flat as investors were unable to determine any clear direction from the November jobs report. On average, yields fell 0.15 bps while the 10-year rose 1.26 bps to 2.3760%.

- ✓ The **Philippine peso** continued to strengthen against the USD as a report from the PSA suggested a pickup in domestic trade. The PHP/USD closed at 50.500 (PHP up 0.30% DoD).
- ✓ The **US dollar** closed marginally higher after a volatile session. The recent jobs report sent mixed signals to investors as jobs created beat consensus estimates while wage growth (+0.2%) fell short of expectations. The DXY closed at 93.901 (+0.11% DoD).

Foreign Exchange

USD/PHP	Previous Close	50.650
	Close	50.500
EUR/USD	Previous Close	1.1779
	Indicative Rate	1.1737



Key Indicators

YIELDS AND PRICES	8-Dec-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	3.16	0.73%	0.12%	1.04%	0.49%
1-Year Philippine Treasury Bill Yield (PDST-R2)	3.13	0.04%	-0.30%	0.27%	0.76%
ROP2021 (Price)	105.03	(0.01)	(0.02)	(0.43)	(3.33)
ROP2034 (Price)	133.66	(0.02)	0.15	0.06	3.20
3-Month US Treasury Yield	1.27	-0.01%	0.01%	0.05%	1.11%
3-Month German Treasury Bill Yield	(0.96)	-0.04%	-0.02%	-0.16%	-0.44%
Dubai Crude Oil Spot (\$/bbl)	60.17	1.21%	-0.66%	-2.48%	87.27%
Gold Spot (\$/oz)	1,248.50	0.10%	-2.50%	-2.56%	17.63%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
12/12/2017	Trade Balance	Oct	-\$1915m
12/12/2017	Exports YoY	Oct	4.3%

Developed Markets

Date	Country	Event	Period	Prior
12/12/2017	US	PPI Final Demand MoM	Nov	0.4%
12/13/2017	Germany	CPI YoY	Nov	1.8%
12/12/2017	Japan	PPI YoY	Nov	3.4%

Emerging Markets

Date	Country	Event	Period	Prior
12/15/2017	Indonesia	Exports YoY	Nov	18.4%
12/14/2017	China	Industrial Production YoY	Nov	6.2%
12/12/2017	India	Industrial Production YoY	Oct	3.8%

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

www.bpiassetmanagement.com



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