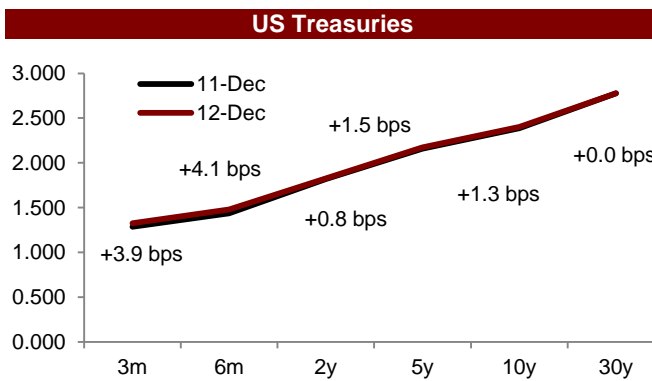
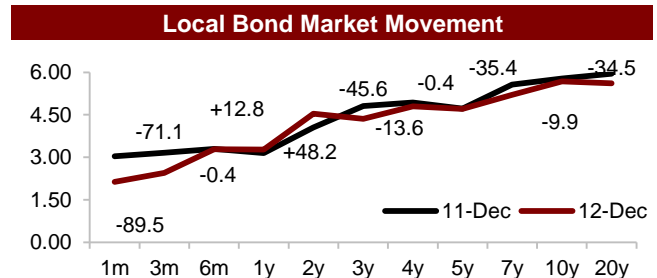
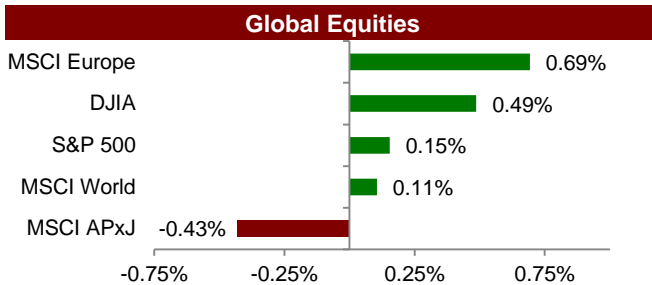
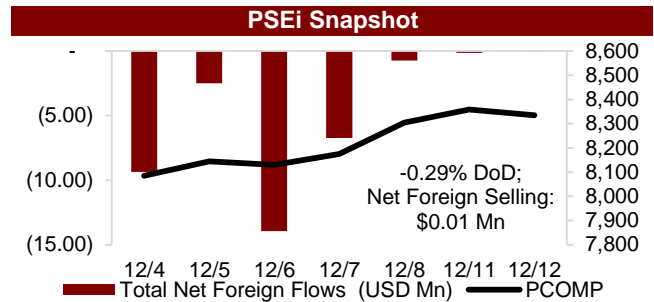


**Global equities closed mostly higher ahead of policy meetings. Moreover, US Treasury yields and the greenback also rose in anticipation of another rate hike, coupled with strong wholesale data.**

- ✓ **Local stocks** fell amid light net foreign outflows (USD 0.01 mn). Most sectors were down, led by mining and oil (-1.28% DoD) and holding firms (-1.04% DoD). The banking sector (+0.42% DoD) bucked the trend, with investors positioning in expectation of higher interest rates in the coming year. The PSEi ended at 8,334.06 (-0.29% DoD).
- ✓ In **local fixed income markets**, yields fell across the curve as relatively higher volumes, encouraged by bargain-hunting, corrected yesterday's upward movement. Investors continue to look to the upcoming FOMC meeting for direction on future policy rates. On average, yields fell 21.75 bps, led by the short end of the curve, which fell 37.03 bps.

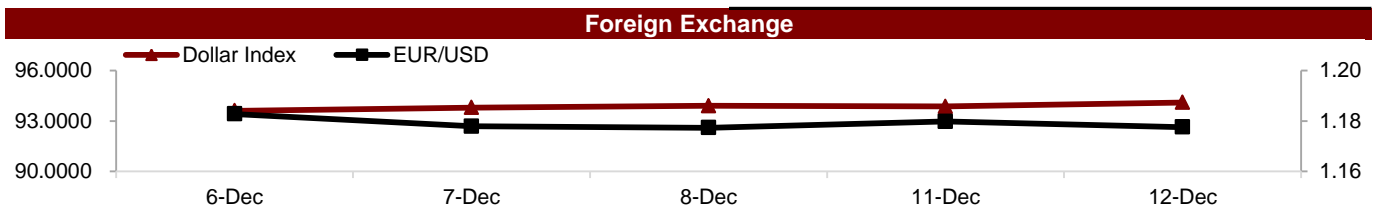


- ✓ **US equities** hit records once again, with all eyes on the Federal Reserve's two-day policy meeting. Investors have already priced in a rate hike from the Fed and are looking to hear the Fed's view on the economy. The DJIA closed at 24,504.80 (+0.49% DoD) while the S&P 500 was at 2,664.11 (+0.15% DoD).
- ✓ **European equities** closed higher with smart-card maker Gemalto (+35%) and retail giant Steinhoff Holdings (+28%) leading the way. Rising oil prices also contributed to the rise with the Stoxx Europe 600 Oil & Gas Index up by 1.56%. The MSCI Europe Index closed at 132.31 (+0.69% DoD).
- ✓ **Asian stocks** declined due to the weakening of tech stocks and higher oil prices. The Hang Seng Index was down by 0.59% partially reversing the previous day's gain. The MSCI APxJ index closed at 551.58 (-0.43% DoD).
- ✓ **US Treasury yields** rose as investors prepare for another rate hike announcement from the Fed, and as US wholesale inflation beat market expectation. On average, yields rose 1.93 bps with the 10-year rising 1.25 bps to 2.4011%.

- ✓ The **Philippine peso** broke a four-day winning streak after the release of a record-high Philippine trade deficit number. The PHP/USD closed at 50.510 (+0.30 DoD).
- ✓ The **US dollar** strengthened as wholesale prices beat forecasts in November. The Producer-price index rose 0.4% versus expectations of 0.3%. The DXY closed at 94.101 (+0.25% DoD).

**Foreign Exchange**

USD/PHP	Previous Close	50.360
	Close	50.510
EUR/USD	Previous Close	1.1798
	Indicative Rate	1.1787



## Key Indicators

YIELDS AND PRICES	12-Dec-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.45	-0.71%	0.03%	-0.24%	-0.22%
1-Year Philippine Treasury Bill Yield (PDST-R2)	3.28	0.13%	0.21%	0.22%	0.91%
ROP2021 (Price)	104.91	(0.05)	(0.21)	(0.14)	(3.45)
ROP2034 (Price)	133.64	(0.08)	0.03	0.68	3.17
3-Month US Treasury Yield	1.33	0.04%	0.04%	0.10%	1.16%
3-Month German Treasury Bill Yield	(0.97)	-0.03%	-0.04%	-0.21%	-0.46%
Dubai Crude Oil Spot (\$/bbl)	62.22	2.07%	3.79%	0.27%	93.65%
Gold Spot (\$/oz)	1,244.60	0.21%	-1.69%	-2.42%	17.26%

## Upcoming Economic Releases

### Philippines

Date	Event	Period	Prior
12/14/2017	BSP Overnight Borrowing Rate	Dec	3.0%
12/15/2017	Overseas Remittances YoY	Oct	-8.3%

### Developed Markets

Date	Country	Event	Period	Prior
12/13/2017	US	CPI MoM	Nov	0.1%
12/13/2017	Germany	CPI YoY	Nov	1.8%
12/14/2017	Japan	Industrial Production MoM	Oct	0.5%

### 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%
12/14/2017	India	Exports YoY	Nov	-1.1%

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

[www.bpiassetmanagement.com](http://www.bpiassetmanagement.com)



This material, which is strictly for information purposes only, is for your sole use, does not constitute a recommendation or an offer to sell or a solicitation to buy any financial product. Any information is subject to change without notice and BPI AMTC is not under any obligation to update or keep current the information contained herein. You are advised to make your own independent judgment with respect to the matter contained in this document. No liability whatsoever is accepted for any loss that may arise (whether direct or consequential) from any use of the information contained herein. All funds managed by BPI Asset Management & Trust Corp. and affiliates are Trust and/or Investment Management Funds, which do not carry any guarantee of income or principal, and are NOT covered by the Philippine Deposit Insurance Corporation. Past performance is not a guarantee of future results. BPI AMTC Investment Funds are valued daily using the marked-to-market method.