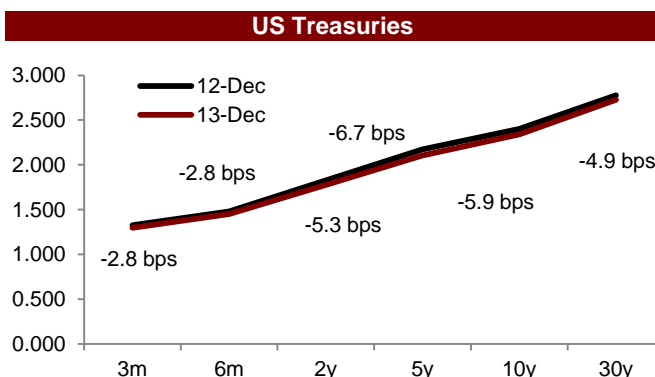
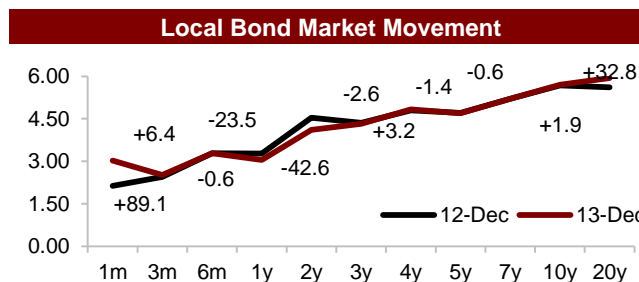
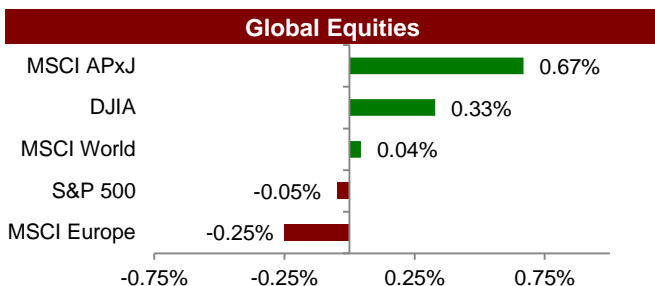
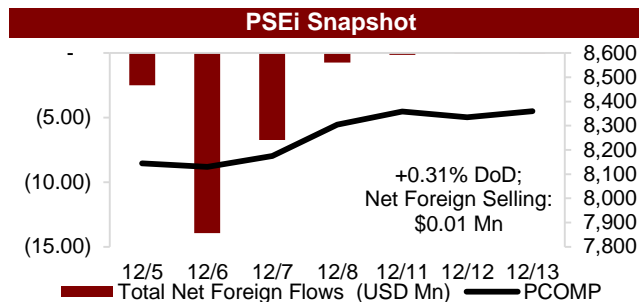


**Global equities ended mixed after the announcement of a rate hike from the Fed. Moreover, US Treasury yields and the greenback both weakened following the increase in rates and muted inflation data respectively.**

- ✓ **Local stocks** rose as the signals from bicameral committee point towards a compromise on the tax reform package 1. Provisions pertaining to lower personal income taxes have been retained vis-a-vis higher taxes on fuel, automobiles, and sugary drinks. The PSEi ended at 8,359.61 (+0.31% DoD).
- ✓ In **local fixed income markets**, yields rose as speculation with regard to a potential BSP rate hike ensued. Some news articles suggesting local rising rates may have contributed to the concerns. The increase in yields were led by the short-end of the curve, up 5.64 bps DoD. On average, yields rose 5.64 bps.

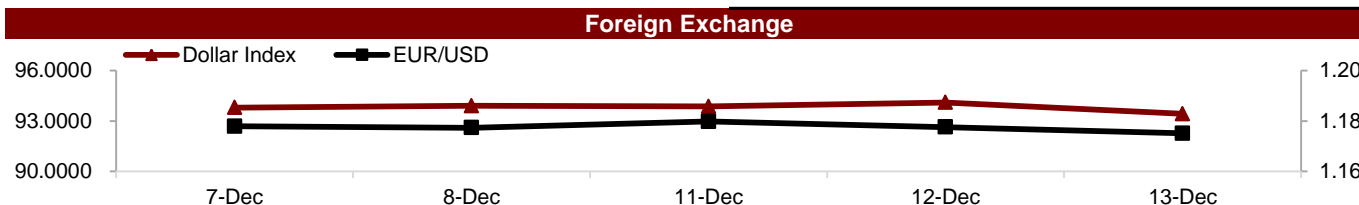


- ✓ **US equities** were mixed after the Federal Reserve raised interest rates as expected and boosted their GDP forecast to 2.5% from 2.1% previously. The DJIA closed at 24,585.43 (+0.33% DoD) while the S&P 500 was at 2,662.85 (-0.05% DoD).
- ✓ **European equities** declined after a 5-week high in anticipation of a rate hike by the Federal Reserve. Italian stocks were the worst performers as the country gears up for an upcoming national election next year. The MSCI Europe Index closed at 131.98 (-0.25% DoD).
- ✓ **Asian stocks** mostly firmed up on the back of the strong showing of Hong Kong services and financial firms. The Hang Seng Index rose 1.83% to close at 11,519.79. The MSCI APxJ Index closed at 555.26 (+0.67% DoD).
- ✓ **US Treasury yields** lost ground as the Federal Reserve reiterated plans to raise interest rates three times next year. Investors sold-off fixed income securities, causing yields to fall across the board. On average, yields fell 4.74 bps with the 10-year falling 5.89 bps to 2.401%.

- ✓ The **Philippine peso** marginally strengthened as investors traded on the senatorial elections in Alabama. Democrat Doug Jones won the election, weakening the Republican's majority in the senate. The PHP/USD closed at 50.480 (-0.06% DoD).
- ✓ The **US dollar** weakened following the release of muted inflation data; core inflation advanced 0.1% in November, slower than expectations of 0.2%. The DXY closed at 93.429 (-0.71% DoD).

**Foreign Exchange**

USD/PHP	Previous Close	50.510
	Close	50.480
EUR/USD	Previous Close	1.1776
	Indicative Rate	1.1743



## Key Indicators

YIELDS AND PRICES	13-Dec-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.51	0.06%	-0.50%	-0.16%	-0.15%
1-Year Philippine Treasury Bill Yield (PDST-R2)	3.04	-0.23%	-0.08%	-0.01%	0.67%
ROP2021 (Price)	104.88	(0.07)	(0.24)	(0.21)	(3.48)
ROP2034 (Price)	133.68	0.11	(0.03)	0.70	3.21
3-Month US Treasury Yield	1.30	-0.03%	0.02%	0.09%	1.13%
3-Month German Treasury Bill Yield	(0.86)	0.11%	0.06%	-0.12%	-0.35%
Dubai Crude Oil Spot (\$/bbl)	61.33	-1.43%	1.74%	-0.41%	90.88%
Gold Spot (\$/oz)	1,255.60	0.88%	-0.61%	-1.78%	18.29%

## 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
12/14/2017	US	Initial Jobless Claims	Dec	236k
12/14/2017	Germany	Markit/BME Germany Manufacturing PMI	Dec	62.5
12/14/2017	Japan	Industrial Production MoM	Oct	0.005

### 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.