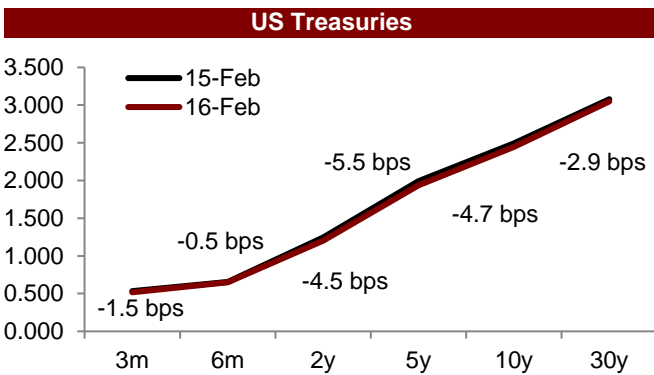
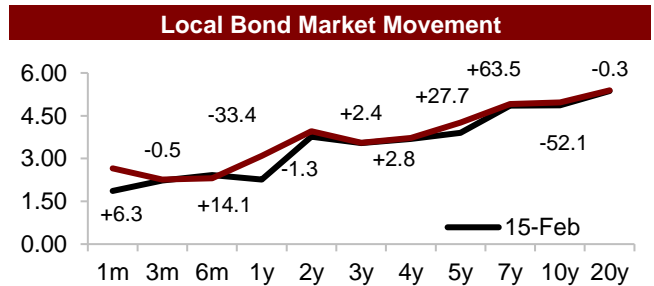
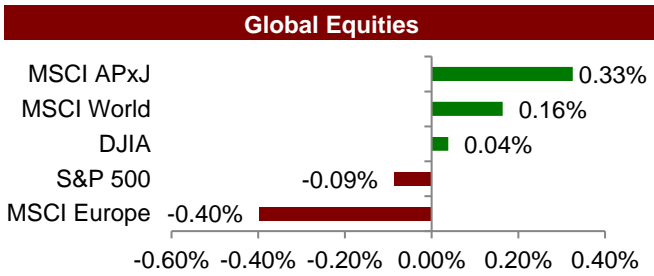
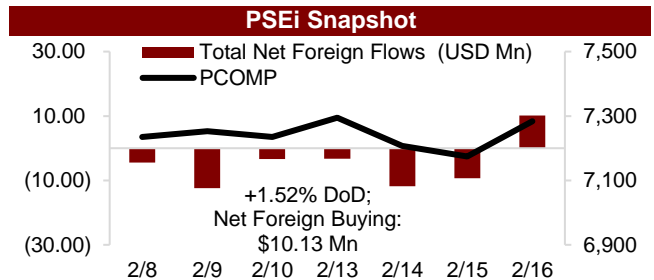


Investors shifted to bonds as they saw good opportunity to hunt for bargains amid continued uncertainty in the political arena. Meanwhile, in the local markets, equities were favored over fixed income due to strong OFW remittances and broadly in-line earnings from corporates.

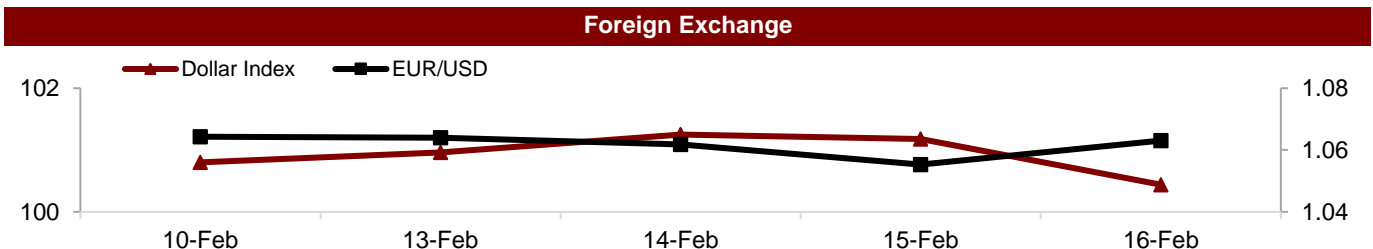
- ✓ The **local equities index** rose 1.52% on the back of strong remittances (+3.6% YoY versus -1.6% for consensus) and earnings data. ALI and BPI FY16 net income broadly in line with consensus expectations.
- ✓ In the **local fixed income market**, prices of government securities fell (short-end yield rose by 38.6 bps), tracking losses in the US treasury space on the back of strong US inflation data. On average, yields rose by 19.33 bps.



- ✓ **US equities** were mostly down as investors received Trump's health plan announcement with little enthusiasm. Nevertheless, the DJIA closed higher at 20,619.77.
- ✓ **European equities** closed lower as oil stocks declined amid rising US inventories. Moreover, banks took a breather after being driven up in the past few days.
- ✓ Profit-taking and a weaker dollar weighed down on **Asian equities** to end the session mixed.
- ✓ **US Treasuries** rebounded as yields fell, capping-off the five-day yield climb that accompanied Fed Chair Yellen's comments. The fall in rates was concurrent with the fall in US equities as investors snapped up cheap low-risk bonds. The 2-yr yield fell to 1.2021% while the 10-yr yield increased to 2.4467%.

Foreign Exchange

USD/PHP	Previous Close	49.9200
	Close	49.9700
EUR/USD	Previous Close	1.0553
	Indicative Rate	1.0638



Key Indicators

YIELDS AND PRICES	16-Feb-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.23	-0.02%	0.14%	0.18%	-0.44%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.26	-0.48%	-0.36%	-0.43%	-0.11%
ROP2021 (Price)	106.31	(0.14)	(0.19)	(1.13)	(2.05)
ROP2034 (Price)	132.82	(0.66)	(1.24)	(2.48)	2.36
3-Month US Treasury Yield	0.53	-0.01%	0.00%	0.01%	0.37%
3-Month German Treasury Bill Yield	(0.88)	0.01%	-0.07%	0.05%	-0.34%
Dubai Crude Oil Spot (\$/bbl)	53.58	-1.38%	1.34%	-0.65%	66.76%
Gold Spot (\$/oz)	1,233.72	0.45%	-0.63%	3.02%	16.23%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
2/20/2017	Budget Balance PHP	Jan	-
2/20/2017	BoP Overall	Jan	-US\$214Mn

Developed Markets

Date	Country	Event	Period	Prior
2/17/2017	US	Leading Index	Jan	0.50%
2/22/2017	US	FOMC Minutes	1-Feb	na
2/20/2017	Japan	Trade Balance	Jan	JPY641.4 Bn

Emerging Markets

Date	Country	Event	Period	Prior
2/21/2017	Malaysia	CPI YoY	Jan	1.80%
2/22/2017	Mexico	GDP NSA YoY	4Q 2016	2.20%

Sources: BPI, Business World, PDI, Phil Star, Manila Bulletin, Reuters, Briefing, Bloomberg, CNN, Dow Jones, The Wall Street Journal, CNBC

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