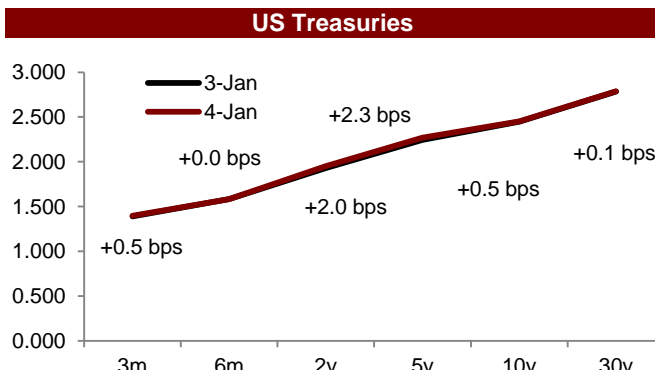
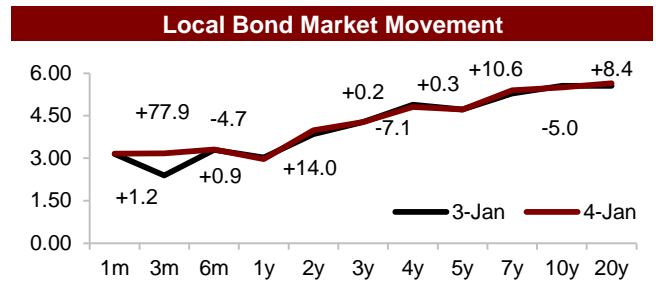
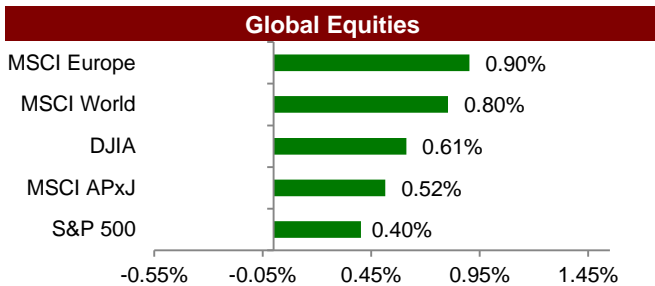
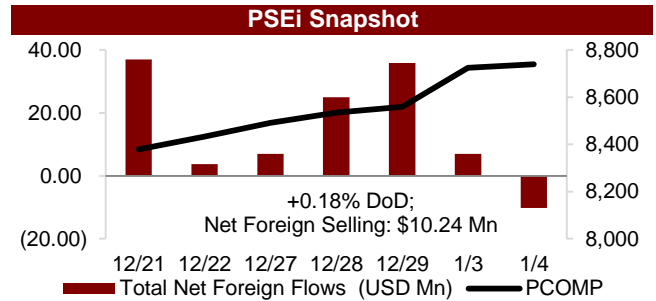


Most global equity indices rallied on the release of upbeat economic data on US employment and automotive sales, whereas Asian stocks inched higher as oil prices continue to rise on supply risk. Furthermore, the US dollar fell and US Treasury yields marginally rose as US employment data supported tightness in the labor market.

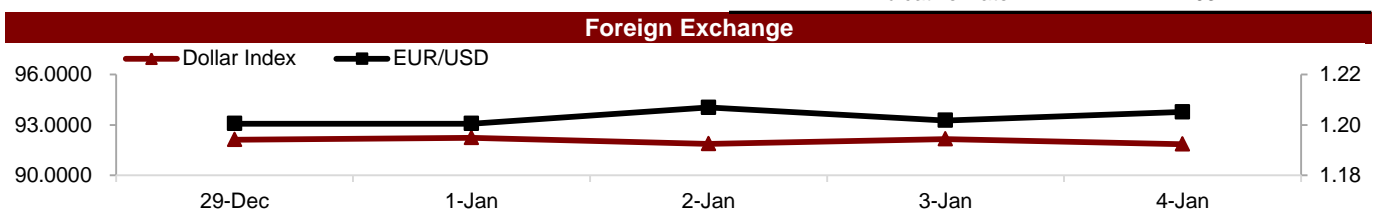
- ✓ The **local equities index** edged higher despite profit-taking by foreign investors as buy market-on-close orders lifted the index to close at another record high. The PSEI ended at 8,739.83. (+0.18% DoD).
- ✓ **Local fixed income yields** rose as investors resulted to profit-taking after four straight days of gains. On average, yields increased by 8.78 bps.



- ✓ **US equities** continue to rally following the release of better-than-expected data on Dec 2017 payrolls reported by the ADP Research Institute, providing support towards a strengthening US economy, ahead of the release of US non-farm payroll data on Friday. The DJIA gained 0.61% to 25,075.13, while the S&P 500 edged up by 0.40% to 2,723.99.
- ✓ **European stocks** climbed, led by car manufacturers following better-than-expected US car sales data. Moreover, upbeat PMI services (actual: 56.6, mkt.est.: 56.5) also aided in the rally. The MSCI Europe closed at 132.91 (+0.90% DoD).
- ✓ **Asian stocks** rose, following positive sentiment from the US and oil prices flirting at 2 years highs. Concern about oil supply risk intensified amid political unrest in Iran and declining US inventories. The MSCI Asia ex-Japan closed at 582.97 (+0.52% DoD).
- ✓ **US Treasuries yields** marginally rose on upbeat economic data on US domestic private payrolls evidencing increased tightness in the US labor market. On average, yields rose 0.92 bps, with 10Y yields up 0.54 bps.

- ✓ The **Philippine peso** weakened as the greenback rallied following better-than-expected economic data on US manufacturing and construction, and as the Fed meeting minutes provided support towards future rate hikes in 2018. The USD/PHP fell by 0.02% to 49.82.
- ✓ The **US dollar** fell after strong ADP employment data (250k vs. 190k) failed to counter the dollar weakness bias which is expected to extend at least until 1H18. The DXY closed at 91.853 (-0.34% DoD).

Pair	Previous Close	Current Rate
PHP/USD	49.810	49.820
EUR/USD	1.2018	1.2034



Key Indicators

YIELDS AND PRICES	4-Jan-18	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	3.18	0.78%	0.73%	0.15%	0.51%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.97	-0.05%	-0.49%	-0.07%	0.60%
ROP2021 (Price)	104.79	(0.04)	(0.13)	(0.33)	(3.57)
ROP2034 (Price)	134.21	0.14	0.23	0.66	3.74
3-Month US Treasury Yield	1.40	0.01%	0.02%	0.13%	1.23%
3-Month German Treasury Bill Yield	(0.64)	0.10%	-0.03%	0.29%	-0.13%
Dubai Crude Oil Spot (\$/bbl)	65.26	1.89%	1.91%	7.49%	103.11%
Gold Spot (\$/oz)	1,322.75	0.73%	2.15%	3.65%	24.62%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
1/5/2018	CPI YoY	Dec	3.3%
1/19/2018	Budget Balance PHP	Dec	-8.6b

Developed Markets

Date	Country	Event	Period	Prior
1/5/2018	Japan	Nikkei Japan PMI Composite	Dec	52.2
1/5/2018	US	Change in Nonfarm Payrolls	Dec	228k
1/8/2017	EU	Consumer Confidence	Dec	0.5

Emerging Markets

Date	Country	Event	Period	Prior
1/5/2018	Malaysia	Exports YoY	Nov	18.9%
1/5/2018	Thailand	Foreign Reserves	29-Dec	\$202.8b
1/10/2018	China	CPI YoY	Dec	1.9%

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

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