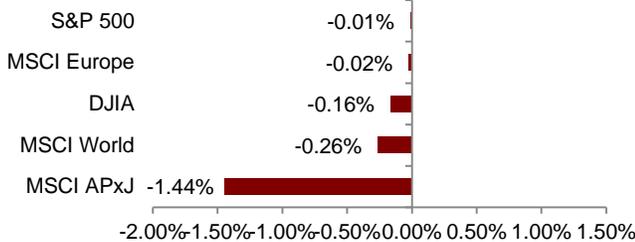


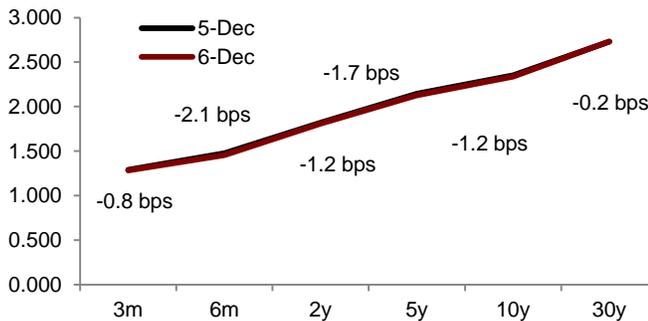
Global equities fell, as a selloff in commodities dragged on energy stocks. Meanwhile, positive employment data lifted US Treasuries and the US dollar.

- ✓ **Local equities** were flat as investors' bargain hunting tapered off, following yesterday's recovery to over 8,100. Investors continue to wait warily for potential breaches of key support levels. The property sector was the worst performing, led by RLC (down 5.05% DoD). The PSEI declined to 8,129.62 (-0.19% DoD).
- ✓ Yields in the **Philippine fixed income markets** were flat with a slight upward bias, tracking the BSP's term deposit facility offering where rates rose. The yield curve flattened with the short end rising 3.34 bps. On average, yields rose by 0.99 bps.

Global Equities

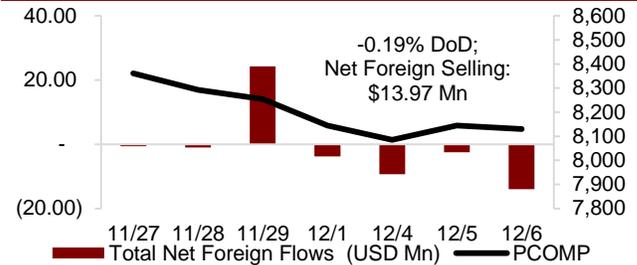


US Treasuries

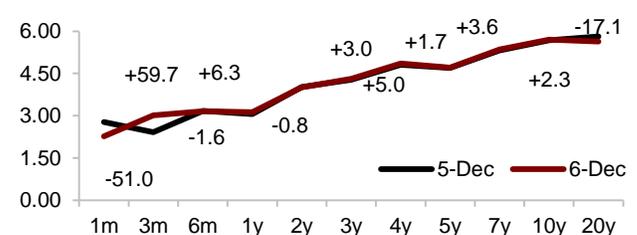


- ✓ The **Philippine peso** was flat with a slight downward bias as momentum on several fronts (e.g. inflation, bank lending, etc.) seems to have weakened. The PHP closed at 50.710 to the USD (-0.16% DoD).
- ✓ The **US dollar** continued to strengthen amid optimism on the US labor market, and ahead of the employment report to be released later in the week. The DXY closed at 93.610 (+0.25% DoD).

PSEI Snapshot



Local Bond Market Movement

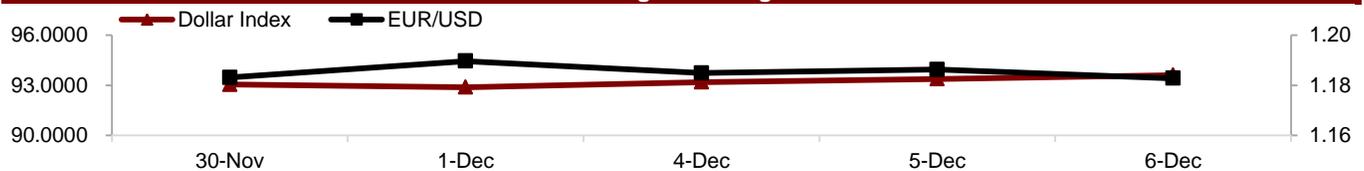


- ✓ Major **US indices** closed lower with the S&P 500 reporting its fourth straight decline—its longest losing streak since March. The energy sector (-1.3%) was the biggest drag after oil prices slid. The DJIA closed at 24,140.91 (-0.16% DoD) while the SPX was at 2,629.27 (-0.01% DoD).
- ✓ **European equity markets** were slightly lower at their close, with technology shares continuing their decline as investors locked in profits after a year of decent gains. The MSCI Europe Index closed at 130.48 (-0.02% DoD).
- ✓ **Asian equities** fell, tracking the decline in US markets. Energy stocks fell due to a commodities selloff, while technology stocks continued their slide. The MSCI APxJ Index ended at 543.40 (-1.44% DoD).
- ✓ **US Treasury yields** fell following positive private payroll numbers, suggesting tightening in the labor market. ADP reported an increase of 190k in US private non-farm payrolls in November. On average, yields fell 1.18 bps with the 10-year falling 1.24 bps to 2.3385%.

Foreign Exchange

USD/PHP	Previous Close	50.630
	Close	50.710
EUR/USD	Previous Close	1.1826
	Indicative Rate	1.1821

Foreign Exchange



Key Indicators

YIELDS AND PRICES	6-Dec-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	3.02	0.60%	0.00%	0.70%	0.35%
1-Year Philippine Treasury Bill Yield (PDST-R2)	3.13	0.06%	-0.28%	0.27%	0.76%
ROP2021 (Price)	105.12	0.00	(0.03)	(0.36)	(3.24)
ROP2034 (Price)	133.70	0.09	0.00	(0.02)	3.23
3-Month US Treasury Yield	1.28	-0.01%	-0.00%	0.10%	1.12%
3-Month German Treasury Bill Yield	(0.92)	0.02%	-0.09%	-0.13%	-0.40%
Dubai Crude Oil Spot (\$/bbl)	60.28	0.55%	-0.53%	-0.20%	87.61%
Gold Spot (\$/oz)	1,263.34	-0.21%	-1.60%	-1.46%	19.02%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
12/7/2017	Foreign Reserves	Nov	\$80.6b
12/12/2017	Exports YoY	Oct	4.3%

Developed Markets

Date	Country	Event	Period	Prior
12/7/2017	US	Initial Jobless Claims	Dec	238k
12/7/2017	Germany	Industrial Production YoY	Oct	3.6%
12/8/2017	Japan	GDP SA QoQ	3Q	0.3%

Emerging Markets

Date	Country	Event	Period	Prior
12/7/2017	China	Foreign Reserves	Nov	\$3109.2b
12/8/2017	India	Exports YoY	Nov	-1.1%
12/8/2017	Indonesia	Foreign Reserves	Nov	\$126.55b

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

www.bpiassetmanagement.com

