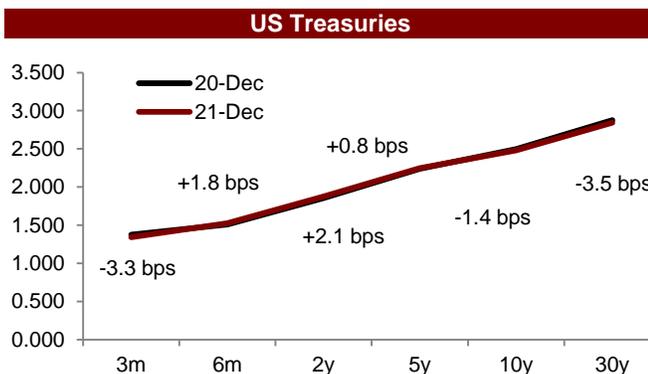
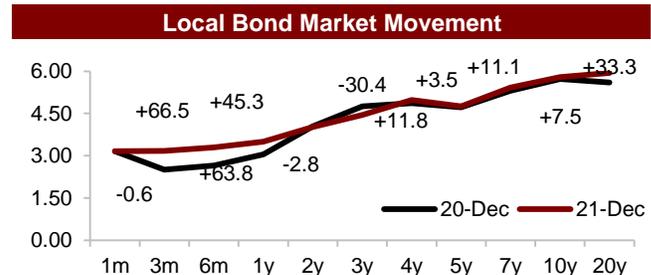
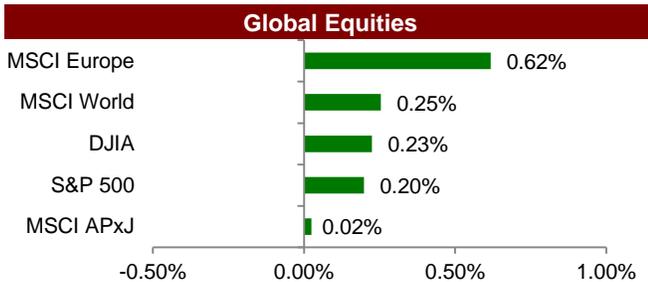
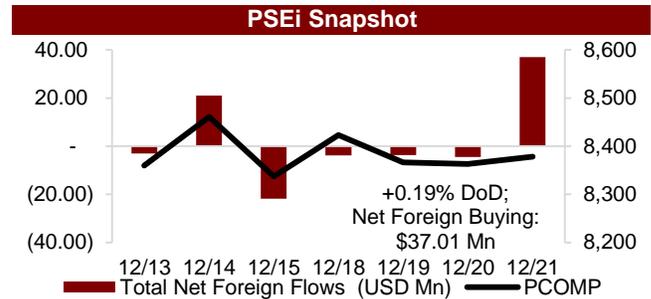


Global equities and US Treasuries closed mostly higher amid lack of new catalysts as the holiday season nears. Meanwhile, the greenback ended flat despite positive manufacturing data.

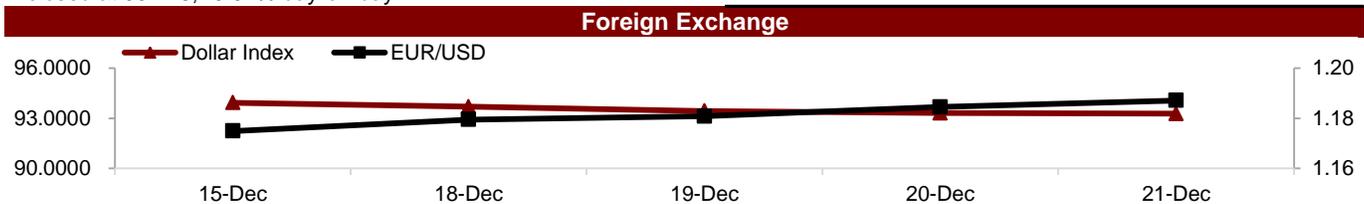
- ✓ **Local stocks** continued their flat trajectory despite heavy net foreign buying was partially offset by a continued selloff in the local space, as investors continue to lock in profits. The PSEi remains range-bound without new catalysts expected before the new year. The PSEi ended at 8,378.28 (+0.19% DoD).
- ✓ In **local fixed income** markets, the yield curve rose, led by its short end, as investors continued to take into account the expected inflationary impact of tax reform. Low trading volumes resulted in relatively large spreads. Yields rose 19.02 bps on average, with the short end of the curve rising 43.76 bps.



- ✓ The **Philippine peso** was flat with an upward bias against the dollar, as the Philippines' progress on tax reform continues to drive the currency up, in contrast to controversies in US tax reform and the greenback. The USD/PHP closed at 50.240 (-0.10% DoD).
- ✓ The **US dollar** was relatively steady against most major currencies following some positive data. The Philadelphia Fed's regional Manufacturing Business Outlook Survey was at 26.2 in December, beating the consensus forecast of 21. The DXY closed at 93.278, -0.04% day-on-day.

- ✓ **US equities** ended higher, mostly led by the energy sector (+2.13%). Thin trading is anticipated in the coming days as investors look for new catalysts, and as the holiday season starts. The DJIA closed at 24,782.29 (+0.23% DoD) while the S&P 500 was at 2,684.57 (+0.20% DoD).
- ✓ **European stocks** recovered after two days of losses with Spanish stocks advancing before the results of Catalonia's regional election came in. The MSCI Europe index closed at 131.96 (+0.62% DoD).
- ✓ **Asian stocks** remained flat amid muted trading sessions stateside as investors digested the impact of the tax changes. Moreover, no regional catalyst appeared to move the markets in yesterday's trading. The MSCI APxJ index closed at 558.58 (+0.02% DoD).
- ✓ **US Treasury yields** were mostly down amid news that 3Q GDP was revised to an annual rate of 3.2% versus the 3.3% estimate. On average, yields fell 0.59 bps with the 10-year falling 1.44 bps to 2.4826%.

Pair	Previous Close	Close
USD/PHP	50.290	50.240
EUR/USD	1.1845	1.1877



Key Indicators

YIELDS AND PRICES	21-Dec-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	3.17	0.67%	0.01%	0.70%	0.50%
1-Year Philippine Treasury Bill Yield (PDST-R2)	3.50	0.45%	0.43%	0.60%	1.13%
ROP2021 (Price)	104.88	(0.02)	(0.14)	(0.23)	(3.48)
ROP2034 (Price)	133.63	(0.17)	(0.21)	0.03	3.16
3-Month US Treasury Yield	1.34	-0.03%	0.04%	0.07%	1.18%
3-Month German Treasury Bill Yield	(0.92)	-0.01%	-0.06%	-0.12%	-0.40%
Dubai Crude Oil Spot (\$/bbl)	61.75	0.73%	2.93%	2.12%	92.19%
Gold Spot (\$/oz)	1,266.51	0.07%	1.08%	-1.09%	19.32%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
12/22/2017	Budget Balance PHP	Nov	-21.8b
12/29/2017	Bank Lending YoY	Nov	18.0%

Developed Markets

Date	Country	Event	Period	Prior
12/22/2017	US	New Home Sales	Dec	685k
12/29/2017	Germany	CPI YoY	Dec	1.8%
12/26/2017	Japan	Jobless Rate	Nov	2.8%

Emerging Markets

Date	Country	Event	Period	Prior
12/22/2017	Malaysia	Foreign Reserves	Dec	\$101.9b
12/29/2017	Thailand	Exports YoY	Nov	13.4%
12/31/2017	China	Manufacturing PMI	Dec	51.8

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

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