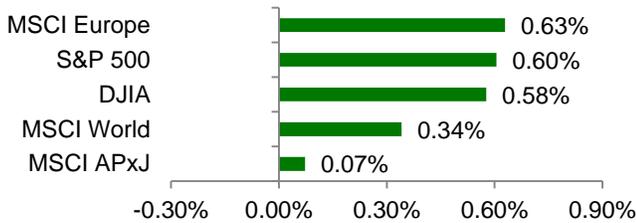


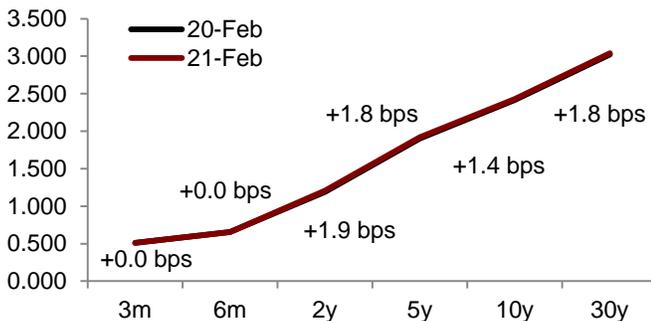
**Global equities rallied on the back of strong earnings and economic data releases. In contrast, treasuries fell due to higher expectation of an interest rate hike given the solid economic indications. In the local front, investors continued to wait for leads; thus, trading on the sidelines.**

- ✓ The **local equities index** marginally rose today (+0.02%), closing at 7,282.68. Investor sentiment was neutral amidst continued earnings results (SMPH) falling in line with expectations.
- ✓ In the **local fixed income market**, prices of government securities marginally rose as investors loaded up on the long-end of the curve (20.7 bps down DoD). Yields fell by an average of 4.74 bps.

### Global Equities

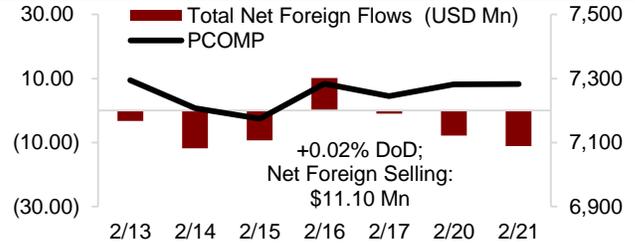


### US Treasuries

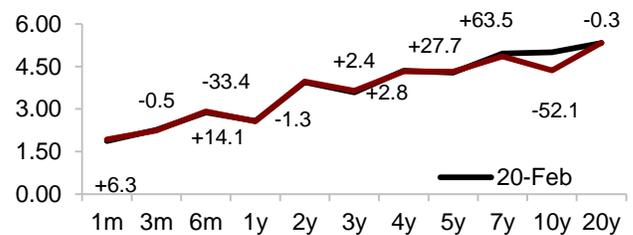


- ✓ The **Philippine peso** weakened against the dollar, closing at Php 50.25, in line with the movement of other currencies in the region.
- ✓ The **US dollar** rose to its five-week high after Philadelphia Federal Reserve Bank President Patrick Harker said that he would likely support an interest rate hike if he sees more evidence of economic growth and inflation picking up. The DXY index rose 0.42% to 101.37.

### PSEI Snapshot



### Local Bond Market Movement

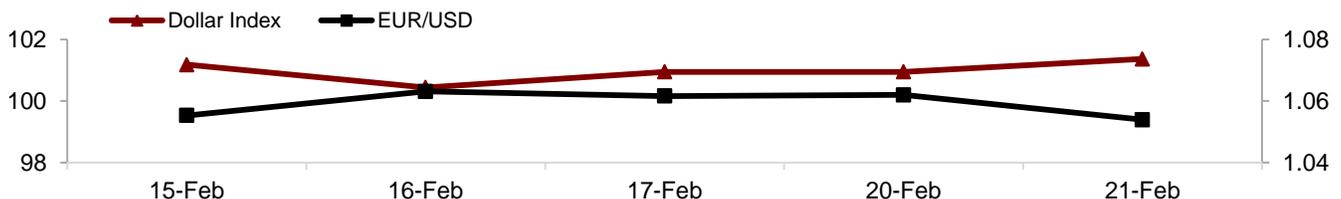


- ✓ Strong Q4 retail earnings lifted **US equities** to close higher. Indices closed at record highs once again, with the Dow Jones Industrial Average extending its winning streak to eight straight sessions.
- ✓ **European equities** were up on the back of better-than-expected manufacturing activity in the Eurozone. PMI rose to 56 for the month of February, up from 54.3 posted in January.
- ✓ **Asian equities** closed mostly higher as the yen weakened against the dollar. Further, Chinese stocks rallied as optimism on pension fund buying continued.
- ✓ **US Treasuries** still ended the day lower despite some pick-up as investors priced in the hawkish statements from a Fed official. Losses were trimmed when a survey showing that the far-right candidate Le Pen's lead rose by 2 pts, increasing demand for safe havens.

### Foreign Exchange

Currency Pair	Previous Close	Close
USD/PHP	50.2300	50.2500
EUR/USD	1.0620	1.0559

### Foreign Exchange



## Key Indicators

YIELDS AND PRICES	21-Feb-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.24	-0.02%	-0.01%	0.40%	-0.43%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.57	-0.01%	-0.17%	-0.12%	0.20%
ROP2021 (Price)	106.47	0.11	0.02	0.31	(1.89)
ROP2034 (Price)	132.84	(0.20)	(0.64)	(0.02)	2.38
3-Month US Treasury Yield	0.51	0.00%	-0.03%	0.02%	0.35%
3-Month German Treasury Bill Yield	(0.84)	-0.02%	0.05%	0.01%	-0.30%
Dubai Crude Oil Spot (\$/bbl)	54.70	0.76%	0.68%	4.89%	70.25%
Gold Spot (\$/oz)	1,235.70	-0.23%	0.61%	2.08%	16.42%

## Upcoming Economic Releases

### Philippines

Date	Event	Period	Prior
2/27/2017	Bank Lending YoY	Jan	16.00%
2/27/2017	Money Supply M3	Jan	12.40%

### Developed Markets

Date	Country	Event	Period	Prior
2/22/2017	US	Existing Home Sales	Jan	5.49 Mn
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
3/1/2017	China	Manufacturing PMI	Feb	51.3
3/1/2017	Indo	CPI YoY	Feb	3.49%

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

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