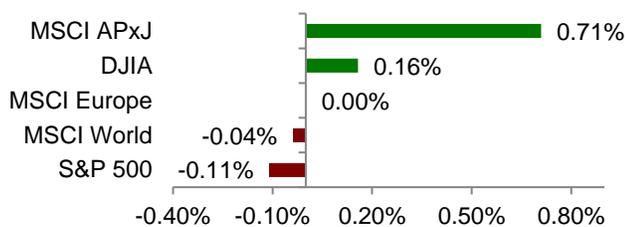


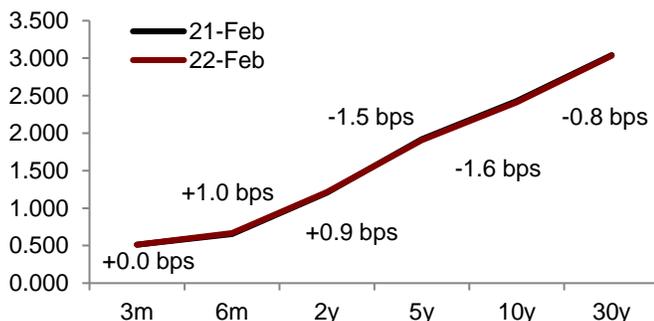
Global equities ended mixed as investors reacted differently after the FOMC minutes suggested some dovishness that weren't anticipated. Treasuries rose as a result. Locally, equities continued to trade listlessly while fixed income assets tracked the US Treasuries.

- ✓ The **local equities index** climbed 0.03% mirroring positivity in regional markets following a rally in U.S. equities. The rally was fueled by speculation, due to the FED's minutes release on Wednesday, giving investors a look into how members see Trump's policies.
- ✓ In the **local fixed income market**, prices of government securities marginally fell (tracking US treasuries) as the short- and long-end of the curve rose by 18 and 19 bps, respectively. Yields rose by an average of 8.13 bps.

Global Equities

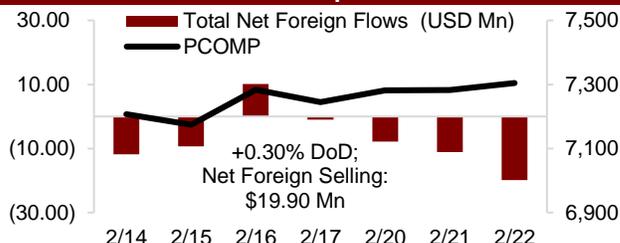


US Treasuries



- ✓ The **Philippine peso** strengthened against the dollar, closing at Php 50.23, despite continued positive US economic data.
- ✓ The **US dollar** weakened on the back of the Fed minute release, which lacked a very hawkish slant, and amidst continued Fed uncertainty over the Trump administration's fiscal policies. The DXY index fell 0.15% to 101.22.

PSEi Snapshot



Local Bond Market Movement

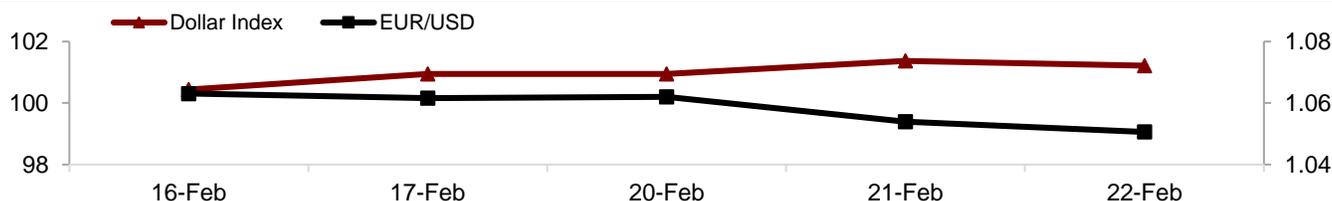


- ✓ **US equities** ended mixed as investors took differently the slightly dovish FOMC minutes. The Dow Jones Industrial Average Index recorded its longest winning streak to close the day 0.16% higher.
- ✓ **European equities** ended flat in anticipation of rising borrowing cost in the US and continued cautiousness amid political uncertainties in the region.
- ✓ **Asian equities** rose higher ahead of the release of the FOMC minutes. Most of the investors seem to not expect a hike as soon as March, but they are still considering more than two hikes this year.
- ✓ **US Treasuries** saw a flattening of the yield curve as investors reacted to the Fed's release of its February 1 meeting minutes. The minutes backed up the need for a rate increase fairly soon, but noted only modest risk of inflation. March rate hike odds declined slightly as a result, from 25% to 21%. The 2-yr yield rose to 1.2162%, while the 10-yr fell sharply to 2.4129%.

Foreign Exchange

Pair	Previous Close	Close
USD/PHP	50.2500	50.2300
EUR/USD	1.0539	1.0508

Foreign Exchange



Key Indicators

YIELDS AND PRICES	22-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
2/23/2017	US	Initial Jobless Claims	18-Feb	239K
2/28/2017	GDP	GDP Annualized QoQ	4Q S	1.90%
2/28/2017	US	Core PCE QoQ	4Q S	1.30%

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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