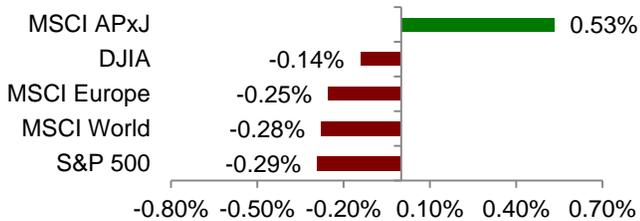


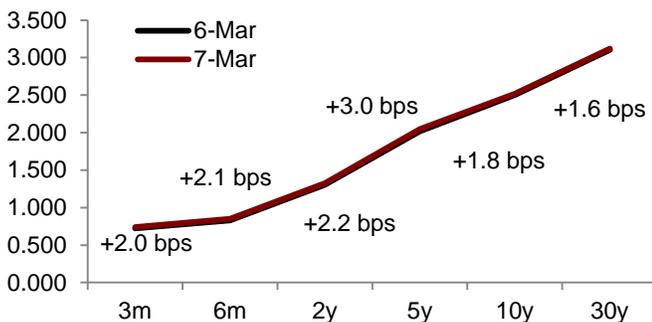
Market players are taking caution ahead of key economic data releases this week and amid growing expectations of a March rate hike in the US. As such, cautious trading has been the main theme across asset classes, as US Treasuries declined slightly while most global equities marginally slipped.

- ✓ The **local equities index** was slightly down due to profit-taking. Net foreign buying amounted to USD3.39 Mn.
- ✓ In the **local fixed income market**, prices of government securities ended mixed, as inflation print for February exceeded market expectations. On average, yields went down by 1.32 bps, while the trend was bucked by the 14.9bps increase in the long-end.

Global Equities

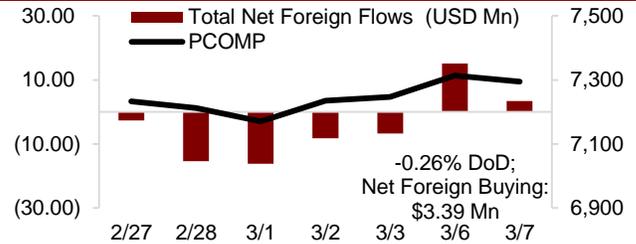


US Treasuries

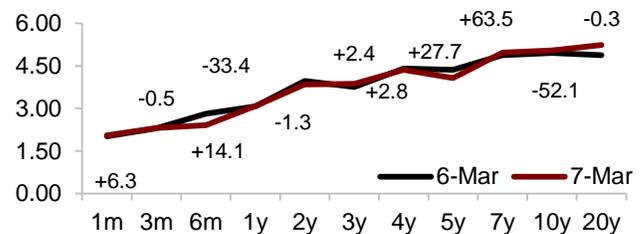


- ✓ The **Philippine peso** recovered slightly against the dollar amidst the higher-than-inflation print, fueling speculation of tightening from the BSP.
- ✓ The **US dollar** strengthened against rivals ahead of major US economic releases this week, labor data and speeches by Fed officials. The DXY rose 0.17% to 101.81.

PSEi Snapshot



Local Bond Market Movement

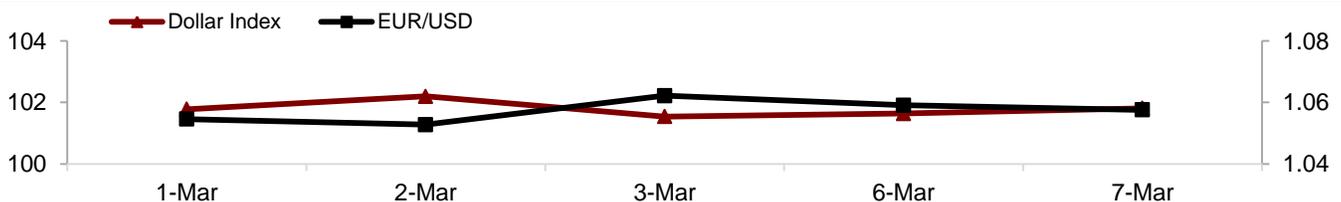


- ✓ **US equities** declined ahead of the non-farm payrolls release and the Fed meeting, and amid warning from OECD that the recent market run-up may not be reflective of the real economic gains. The Dow Jones lost 29.6 points to 20,924.8 and the S&P shed 6.9 points and closed at 2,368.4.
- ✓ **European equities** were down following the biggest decline in German factory orders in eight years--with the pronounced weakness coming from both domestic and foreign orders. The MSCI Europe was down 6.3 points to 1,518.1.
- ✓ **Asian equities** continued to buck the trend as bargain-hunters bought after last week's weakness. The MSCI Asia ex-Japan was up 0.53% to 408.8.
- ✓ **US Treasuries** declined for a sixth day ahead of the FOMC meeting next week. Investors are now pricing in a 96% chance of a March hike. On average, yields rose by 2.3 bps, with the 2-year yield rising 2.24 bps to 1.3277%, while the 10-year yield rose 1.82 bps to 2.5179%.

Foreign Exchange

USD/PHP	Previous Close	50.3950
	Close	50.2700
EUR/USD	Previous Close	1.0591
	Indicative Rate	1.0571

Foreign Exchange



Key Indicators

YIELDS AND PRICES	7-Mar-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.31	0.01%	-0.01%	0.29%	-0.36%
1-Year Philippine Treasury Bill Yield (PDST-R2)	3.08	0.02%	0.33%	0.21%	0.71%
ROP2021 (Price)	106.14	(0.01)	(0.51)	(0.31)	(2.22)
ROP2034 (Price)	131.98	(0.29)	(1.25)	(1.61)	1.51
3-Month US Treasury Yield	0.74	0.02%	0.14%	0.22%	0.58%
3-Month German Treasury Bill Yield	(0.86)	-0.01%	-0.00%	-0.05%	-0.32%
Dubai Crude Oil Spot (\$/bbl)	54.41	1.19%	0.48%	1.04%	69.34%
Gold Spot (\$/oz)	1,215.85	-0.77%	-2.60%	-1.46%	14.55%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
3/10/2017	Exports and Imports YoY	Jan	4.5% / 19.1%
3/14/2017	Unemployment Rate	Jan	4.70%

Developed Markets

Date	Country	Event	Period	Prior
3/9/2017	US	US Initial Jobless Claims SA	Mar 4	244k
3/10/2017	EU	GDP QoQ and YoY	4Q	0.7% / 3.0%
3/8/2017	Japan	GDP SA QoQ	4Q F	0.4%

Emerging Markets

Date	Country	Event	Period	Prior
3/8/2017	China	Foreign Direct Investment YoY	Feb	-9.2%
3/8/2017	Indo	Consumer Confidence Index	Feb	115.3
3/10/2017	India	Industrial Production YoY	Jan	0.4%

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

www.bpiassetmanagement.com

