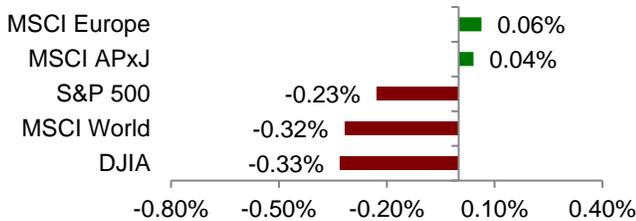


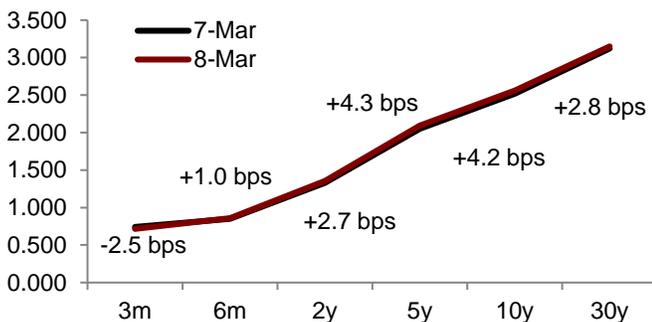
Expectations of a March rate hike grew further following the positive ADP report, buoying US Treasury yields and dragging US equities anew. Bucking the global downtrend were European and select Asian equities, as investors took the opportunity to pick up laggards.

- ✓ The **local equities index** was slightly up as the rally in telcos following TEL's earnings meeting expectations was offset by the weakness in holding firms. Net foreign selling amounted to USD6.16 Mn.
- ✓ In the **local fixed income market**, prices of government securities ended slightly higher as market players digested the Philippine government 3-year bond auction yesterday and as investors adopt a wait-and-see approach ahead of the March Fed meeting. On average, yields went down 13.24ps led by decrease in the short-end of the curve.

Global Equities

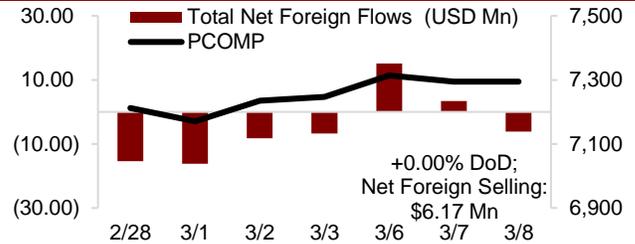


US Treasuries

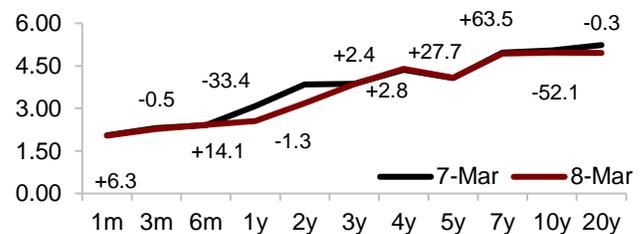


- ✓ The **Philippine peso** weakened against the dollar as the equity market saw net foreign selling with investors positioning ahead of key economic data and events globally. The peso closed at 50.270.
- ✓ The **US dollar** strengthened against following positive labor data releases, fueling expectations that a March rate hike will happen. The DXY rose 0.26% to 102.07.

PSEi Snapshot



Local Bond Market Movement

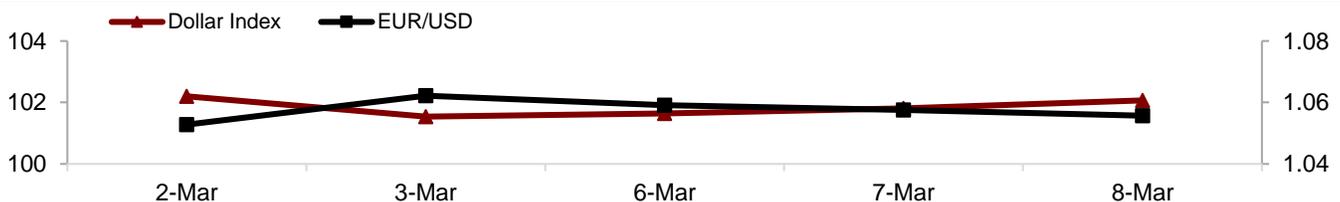


- ✓ **US equities** continued to correct amid good labor data that fueled expectations for a March rate hike. The Dow Jones lost 69.03 points to 20,855.7 and the S&P shed 5.4 points and closed at 2,363.0.
- ✓ **European equities** rebounded slightly after several days of a decline ahead of the ECB meeting. The MSCI Europe was up points 2.6 points to 1,515.6.
- ✓ **Asian equities** were steady, reflecting the cautiousness in developed markets. The MSCI Asia ex-Japan was up 0.04%.
- ✓ **US Treasuries** declined for a seventh day with benchmark yields hitting their highest levels since December as payroll processor ADP reported higher-than-expected hiring data at 298k in February, the most since December 2015. Investors are now pricing in a 100% chance of a March hike. On average, yields rose by 2.7 bps, with the 2-year yield rising 2.7 bps to 1.3542%, while the 10-year yield rose 4.18 bps to 2.5597%.

Foreign Exchange

USD/PHP	Previous Close	50.270
	Close	50.340
EUR/USD	Previous Close	1.0576
	Indicative Rate	1.0553

Foreign Exchange



Key Indicators

YIELDS AND PRICES	8-Mar-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.27	-0.04%	-0.03%	0.19%	-0.39%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.56	-0.53%	-0.10%	-0.07%	0.19%
ROP2021 (Price)	106.03	(0.10)	(0.40)	(0.46)	(2.33)
ROP2034 (Price)	131.53	(0.45)	(1.32)	(2.54)	1.06
3-Month US Treasury Yield	0.72	-0.03%	0.10%	0.18%	0.55%
3-Month German Treasury Bill Yield	(0.89)	-0.03%	-0.04%	-0.08%	-0.35%
Dubai Crude Oil Spot (\$/bbl)	53.89	-0.96%	-2.39%	1.93%	67.72%
Gold Spot (\$/oz)	1,208.34	-0.62%	-3.29%	-2.67%	13.84%

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
3/10/2017	US	Change in Nonfarm Payrolls	Feb	227k
3/10/2017	EU	GDP QoQ and YoY	4Q	0.7% / 3.0%
3/12/2017	Japan	Producer Price Index (PPI) MoM and YoY	Feb	0.6% / 0.5%

Emerging Markets

Date	Country	Event	Period	Prior
3/13/2017	China	Fixed Assets Ex Rural YTD YoY	Feb	8.1%
3/15/2017	Indo	Central Bank 7-Day Repo Rate	16-Mar	4.8%
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

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