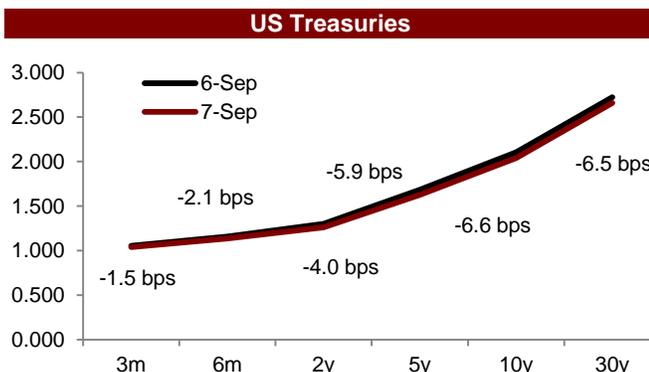
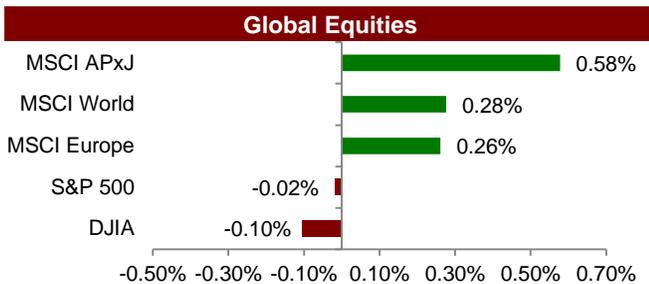
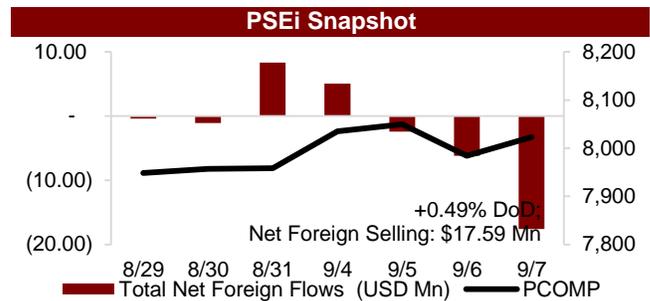


U.S. equities and the U.S. dollar fell, while U.S. Treasuries, rallied as investors were cautious on ECB and White House policies, and on the release of weaker-than-expected data on employment. Meanwhile, European stocks and Asian stocks rallied as the ECB took a more dovish policy stance and geopolitical concerns in Asia abated.

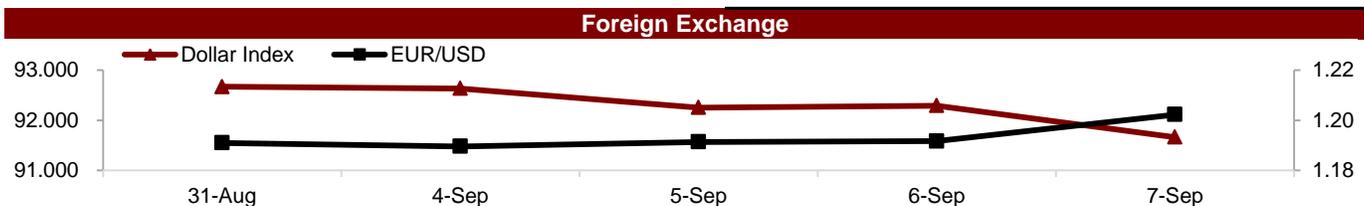
- ✓ The **local equities market** trended higher, tracking positivity in the US after Trump struck a deal with the Democrats to defer resolution of the debt ceiling issue to December. The PSEI increased by 39.01 points or 0.48%, closing at 8,022.98.
- ✓ In the **local fixed income market**, yields rose on average as liquid securities fetched higher yields in done deals. Moreover, investors generally had a risk on sentiment. Yields grew by an average of 7.38 bps, led by the short-end of the curve, which ascended 10.03 bps.



- ✓ **US equities** were marginally down as investors remained cautious on the ECB's policy stance, prospects for Trump's economic reforms following the decision to extend the debt ceiling deadline and the impending arrival of Hurricane Irma. The DJIA closed at 21,784.78 (-0.10% DoD) while the S&P 500 was at 2,465.10 (-0.02% DoD).
- ✓ **European equities** were higher as investors digested comments from the recently concluded ECB meeting. QE will continue as the ECB's outlook for growth and inflation remain unchanged. Draghi, however, hints that the October meeting may provide a more decisive stance on tapering. The MSCI Europe closed higher to 126.55, up 0.26%.
- ✓ **Asian shares** recovered following the extension of the US debt ceiling, eliminating investors' concerns over a government shutdown. This shifted focus away from mounting geopolitical tensions over North Korea's H-bomb tests. The MSCI APxJ gained 0.58% to 532.21.
- ✓ **US Treasury yields** decreased on the back of weaker-than-expected jobless claims print. Additionally, the ECB adopted a relatively dovish stance, keeping rates unchanged and delaying its decision to taper to October. US yields fell by an average of 4.44 bps, led by the long-end. Meanwhile, the US 10-yr yield fell by 6.6 bps to close at 2.039%.

Pair	Previous Close	Current Rate
USD/PHP	51.095	50.930
EUR/USD	1.1929	1.1963

- ✓ The **Philippine peso** strengthened, tracking regional trends, after China reported that its foreign reserves hit 10-month high of US\$ 3.09 trillion in August. This eased concerns on EM balance sheet vulnerabilities to external factors. The USD/PHP appreciated 0.32%, closing at the 50.93 level.
- ✓ The **US dollar** fell on weak employment data pushing the odds against another rate hike this year. Initial jobless claims were at 298k (consensus: 245k) and Continuing claims were at 1940k (consensus: 1945k). The US Dollar Index closed at 91.663 (-0.68%) while the EURUSD fell to 1.1963 (+0.29%).



Key Indicators

YIELDS AND PRICES	7-Sep-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.09	-0.00%	-0.03%	-0.08%	-0.58%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.89	-0.22%	-0.00%	-0.15%	0.52%
ROP2021 (Price)	106.56	(0.05)	0.08	0.17	(1.80)
ROP2034 (Price)	136.42	0.25	0.91	1.74	5.95
3-Month US Treasury Yield	1.04	-0.02%	0.05%	-0.01%	0.88%
3-Month German Treasury Bill Yield	(0.74)	-0.01%	-0.03%	-0.05%	-0.22%
Dubai Crude Oil Spot (\$/bbl)	53.18	1.49%	7.07%	5.39%	65.52%
Gold Spot (\$/oz)	1,349.29	1.13%	2.11%	7.27%	27.12%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
9/12/2017	Exports YoY	Jul	0.8%
9/12/2017	Trade Balance	Jul	-2147m

Developed Markets

Date	Country	Event	Period	Prior
9/13/2017	US	MBA Mortgage Applications	Sep	3.3%
9/13/2017	Germany	CPI YoY	Aug F	1.8%
9/8/2017	Japan	GDP SA QoQ	2Q F	1.0%

Emerging Markets

Date	Country	Event	Period	Prior
9/8/2017	China	Trade Balance	August	\$46.74b
9/8/2017	Thailand	Foreign Reserves	Sept	\$195bn
9/11/2017	India	Exports YoY	August	3.9%

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