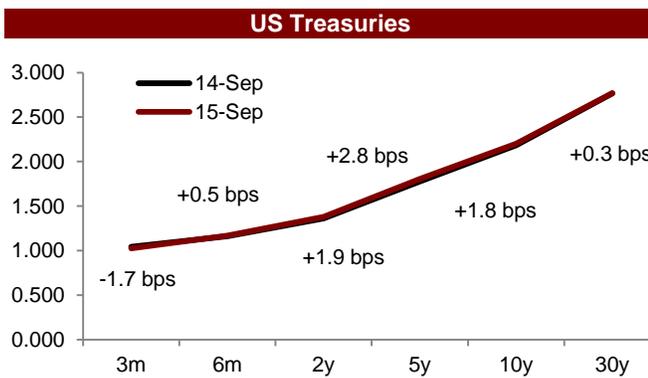
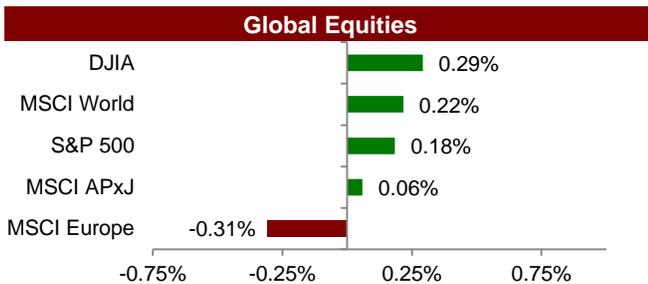
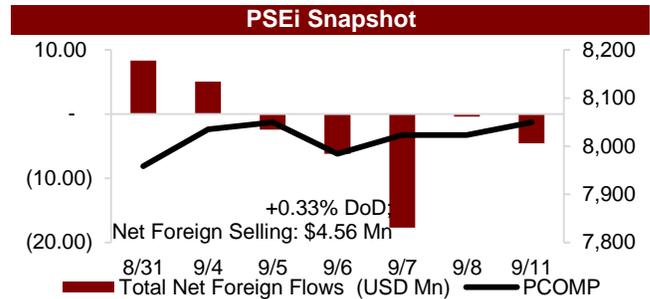


We saw mild buying of risk assets after investors focused on stronger-than-expected inflation print from the United States. Investors were generally cautious ahead of the September Fed meeting (Thursday), when the central bank is scheduled to release new economic projections. These resulted in slight gains in the equities markets and mild weakness in the US Treasuries market.

- ✓ The **local equities market** closed on a high note due to continued strong macroeconomic fundamentals as evidenced by the strong OFW remittances (+7.1% in July), amid political risks. The PSEi increased by 35.94 points or 0.44%, closing at 8,180.85.
- ✓ In the **local fixed income market**, prices of government securities fell as investors took caution ahead of the Php15 billion T-bill auction to be held on Tuesday next week. Yields went up by an average of 0.80 bps, led by the short-end of the curve which increased by 20.67 bps.

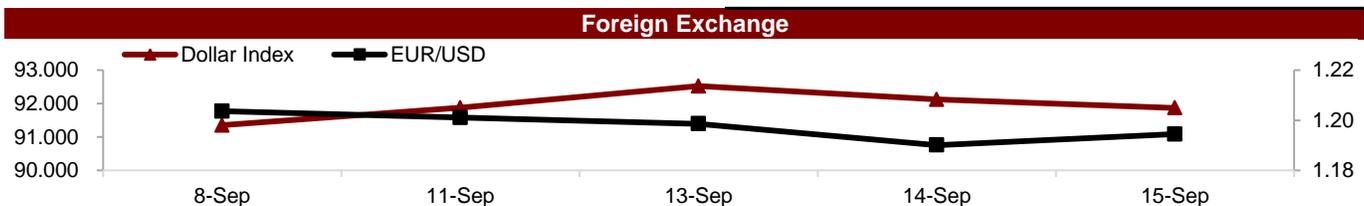


- ✓ **US equities** were slightly up on broad positive sentiment despite another missile launch from North Korea last Friday. Investors continued focusing on higher-than-expected inflation print at 1.9%. The DJIA closed at 22,268.34 (+0.29% DoD) while the S&P 500 was at 2,500.23 (+0.18% DoD).
- ✓ **European equities** fell after traders took profit towards the end of a strong week. This profit-taking activities might have been also caused by some geopolitical risks after N Korea sent another missile near the Japanese waters. The MSCI Europe fell 128.44, down by 0.31%.
- ✓ **Asian shares** ended flat with a slight upward bias as the spillover from underwhelming August economic data from China continued. Moreover, the somber mood was further aggravated after another missile launch from North Korea. The MSCI APJ rose +0.6%
- ✓ **US Treasury yields** ended flat, with slight upward bias, due to higher-than-expected inflation data. Investors were generally on a wait-and-see mode ahead of the Fed meeting (Sept 21). Yields on average rose by 0.94 bps, while the US 10-yr yield inclined 1.8 bps to close at 2.202%.

Foreign Exchange

USD/PHP	Previous Close	50.870
	Close	50.905
EUR/USD	Previous Close	1.2036
	Indicative Rate	1.2023

- ✓ The **Philippine peso** ended flat against the dollar as optimism locally was offset by negative sentiment from North Korea's missile tests. The peso-dollar closed at the 51.165 level.
- ✓ The **US dollar** weakened on the back of mixed economic data. The release of higher-than-expected inflation data was followed by disappointing retail sales and industrial production figures (US Industrial Production MoM: -0.9% vs exp at 0.1%; Retail Sales Advance MoM: -0.2% vs exp at 0.1%). The US Dollar Index closed at 91.872 (-0.27%).



Key Indicators

YIELDS AND PRICES	15-Sep-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.91	0.85%	0.02%	0.74%	0.25%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.90	-0.01%	0.01%	0.06%	0.53%
ROP2021 (Price)	106.45	0.05	(0.17)	0.06	(1.91)
ROP2034 (Price)	135.86	(0.06)	(1.05)	1.32	5.39
3-Month US Treasury Yield	1.03	-0.02%	-0.01%	0.01%	0.86%
3-Month German Treasury Bill Yield	(0.69)	-0.01%	0.05%	-0.02%	-0.17%
Dubai Crude Oil Spot (\$/bbl)	54.21	0.82%	1.94%	9.63%	68.72%
Gold Spot (\$/oz)	1,320.16	-0.72%	-1.95%	3.83%	24.38%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
9/19/2017	BoP Overall	Aug	-\$678mn
9/19/2017	Budget Balance PHP	Aug	-50.5bn

Developed Markets

Date	Country	Event	Period	Prior
9/19/2017	US	Housing Starts	Aug	1155k
9/18/2017	Europe	CPI YoY	Aug F	1.3%
9/20/2017	Japan	Trade Balance	Aug	¥418.8bn

Emerging Markets

Date	Country	Event	Period	Prior
9/18/2017	China	China August Property Prices	August	9.2%
9/22/2017	Thailand	Foreign Reserves	15-Sep	\$199.3bn
9/25/2017	Singapore	CPI YoY	August	1.6%

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