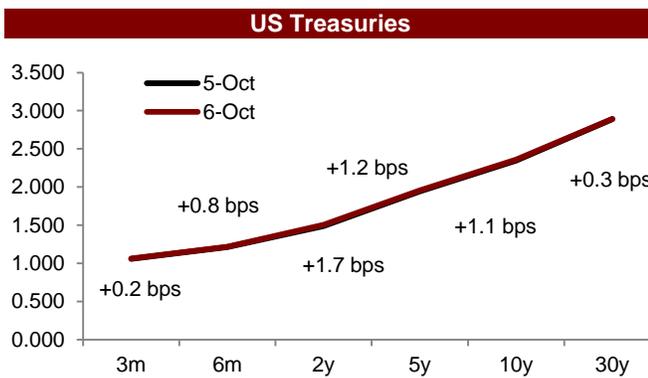
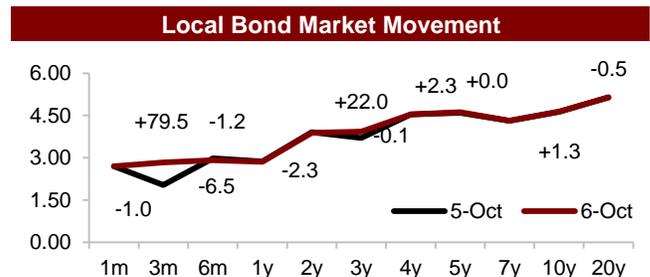
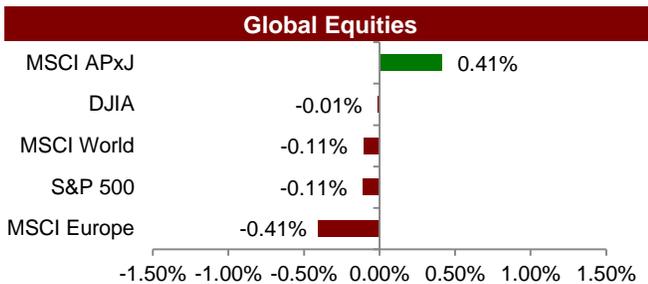
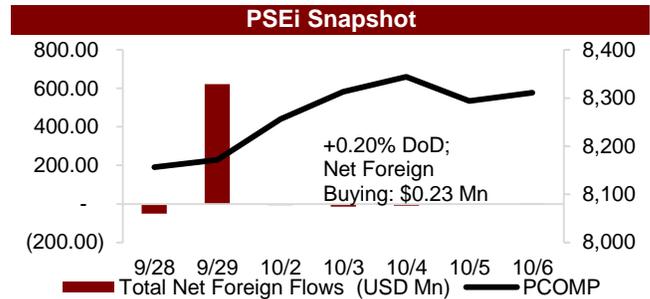


**Labor market data in US printing lower than street expectations saddled global equity markets despite some strength in Europe. US Treasury yields increased as investors focused on wage growth being supportive of another rate hike. Lastly, the dollar weakened from losses in the job market.**

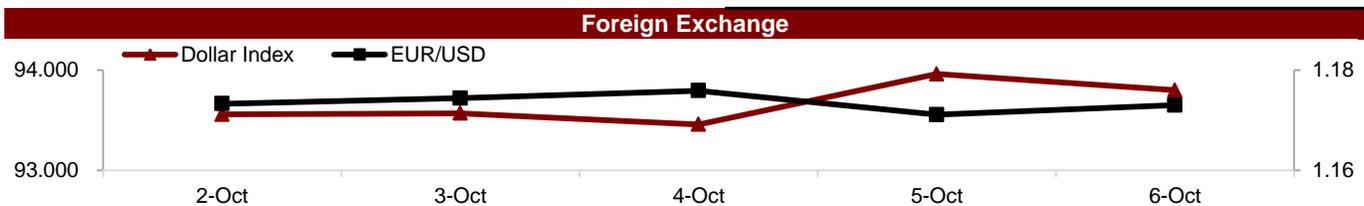
- ✓ The **local equities** market went up due to optimism on an upbeat U.S economy along with the hopes of the Philippine tax reform bill to be passed. The PSEI increased by 1.87 points or 0.20%, closing at 8,310.88.
- ✓ In the **local fixed income market**, prices of government securities fell as investors took caution ahead of the Php15 billion T-bill auction to be released on Monday next week. On average, yields increased by 8.49 bps, led by the short end of the curve which rose 17.70 bps.



- ✓ **US equities** ended the day flat as investors digested US jobs data. September jobs report showed less jobs but lower unemployment at 4.2%, its lowest level since 2000. The Dow Jones Industrial Average closed at 22,773.67 (-0.01% DoD) while the S&P 500 was at 2,549.33 (-0.11% DoD).
- ✓ **European equities** were also affected by the surprise contraction in the US labor market and the mixed August economic data from the region. While manufacturing in Germany and industrial production in Spain were strong, retail sales in Italy fell more than expected. MSCI Europe retreated to 131.48 (-0.41% DoD).
- ✓ **Asian equity markets** were the only gainers on Friday, ahead of the non-farm payrolls report in the US and with some regional markets on holiday. The MSCI APxJ closed at 538.89, up 0.41%.
- ✓ **US Treasury yields** rose on the back of better-than-expected wage growth. Investors sold-off bonds as a pickup in wage growth further increased the probability of another rate hike by the end of the year. On average, yields went up by 0.88 bps while the 10-year rose to 2.5389% (+1.09 bps).

### Foreign Exchange

USD/PHP	Previous Close	51.010
	Close	51.150
EUR/USD	Previous Close	1.1711
	Indicative Rate	1.1700



## Key Indicators

YIELDS AND PRICES	6-Oct-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.83	0.80%	0.80%	0.73%	0.16%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.85	-0.01%	-0.01%	-0.26%	0.48%
ROP2021 (Price)	105.97	0.01	(0.08)	(0.64)	(2.39)
ROP2034 (Price)	134.04	(0.21)	(0.71)	(2.13)	3.57
3-Month US Treasury Yield	1.06	0.00%	0.02%	0.01%	0.90%
3-Month German Treasury Bill Yield	(0.68)	0.02%	0.02%	0.05%	-0.16%
Dubai Crude Oil Spot (\$/bbl)	55.10	0.88%	-1.29%	5.15%	71.49%
Gold Spot (\$/oz)	1,276.60	0.72%	-0.28%	-4.32%	20.27%

## Upcoming Economic Releases

### Philippines

Date	Event	Period	Prior
10/10/2017	Exports YoY	Aug	10.4%
10/16/2017	Overseas Remittances YoY	Aug	7.1%

### Developed Markets

Date	Country	Event	Period	Prior
10/12/2017	US	FOMC Meeting Minutes	20-Sep	--
10/10/2017	Japan	BoP Current Account Balance	Aug	¥2320.0b
10/12/2017	Europe	Industrial Production MoM	Aug	0.1%

### Emerging Markets

Date	Country	Event	Period	Prior
10/10-18	China	Money Supply M2 YoY	Sep	8.90%
10/12/2017	China	Industrial Production YoY	Aug	1.20%
10/16/2017	Indonesia	Exports YoY	Sep	19.24%

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

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