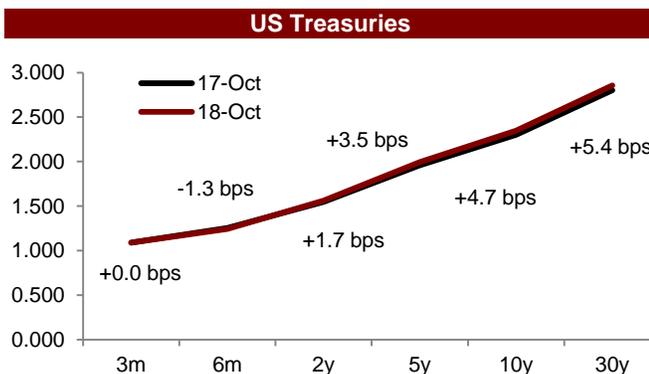
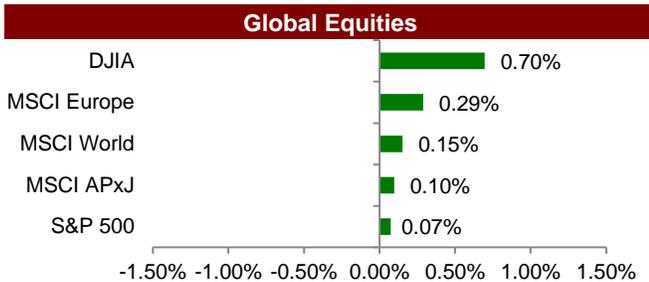
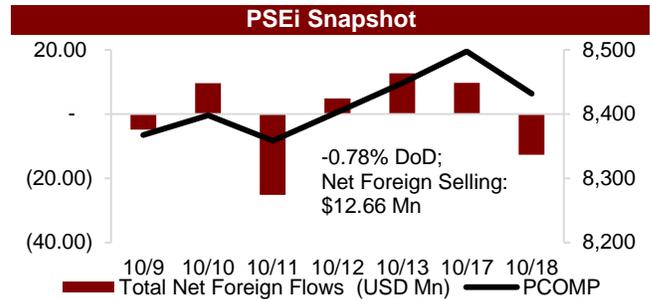


Global equity markets were up; propelled by corporate earnings, and currency weakness boosting exporters. US Treasury yields were up as an argument for tighter monetary policy emerges in the Fed's beige book. However, the dollar was softer on housing data disappointment.

- ✓ The **local equities** broke its three-day winning streak today as investors took profits amidst all-time highs. All sectors were down, led by Mining & Oil (-3.17% DoD) and Holdings Firms (-1.26% DoD). The PSEi fell 66.01 points or 0.78%, closing at 8,431.73.
- ✓ In the **local fixed income market**, yields of government securities fell again as investors pursued risk-off assets locally. Increasing issuances of LTNCDs by the banks suggest an abundance of investors looking to secure yield. On average, yields fell by 3.23 bps, led by the long-end of the curve which was down 8.39 bps.

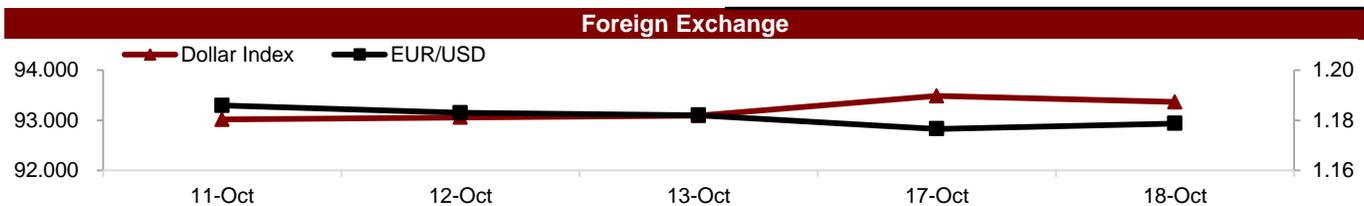


- ✓ **US equities** closed at record highs with the Dow Jones closing above the 23,000-level for the first time. Stocks sustained its momentum as the latest round of corporate earnings continued to support the market. The Dow Jones Industrial Average closed at 23,157.60 (+0.70% DoD) while the S&P 500 was at 2,561.26 (+0.07% DoD).
- ✓ **European equities** were higher as the weaker currency boosting exporters compensated for disappointing earnings report. And relative to other markets, investors are starting to see value emerging in light of improving corporate profitability in the region. The MSCI Europe ended at 132.21 (0.29% DoD).
- ✓ **Asian shares** were little changed on a narrow trading range with the start of the Communist Party congress where investors hope to glean leads. The MSCI APxJ inched up 0.10% to 552.83.
- ✓ **US Treasury yields** were up as investors focused on the Fed's beige book. The Fed's report showed that the US economy continued to grow despite all the hurricanes last month, spurring risk-on sentiment and a sell-off in bonds. On average, yields rose 2.33 bps with the 10-year rising to 2.3465%.

- ✓ The **Philippine peso** weakened as investors took notice of the USD's strength in overnight markets following strong economic data. Net foreign selling in the equity market may have aggravated the decline. The USD/PHP closed at 51.405 as the peso weakened by 0.15%.
- ✓ The **US dollar** fell following weak Housing data mainly due to the impact of Hurricanes Irma and Harvey. Housing starts fell 4.7% in September, far below consensus expectations of -0.4%. The DXY closed at 93.363 (-0.13% DoD).

Foreign Exchange

USD/PHP	Previous Close	51.330
	Close	51.405
EUR/USD	Previous Close	1.1766
	Indicative Rate	1.1745



Key Indicators

YIELDS AND PRICES	18-Oct-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.05	0.00%	0.00%	-0.01%	-0.61%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.85	0.00%	0.00%	-0.03%	0.48%
ROP2021 (Price)	105.92	(0.06)	(0.03)	(0.48)	(2.44)
ROP2034 (Price)	134.58	(0.07)	0.10	(1.22)	4.12
3-Month US Treasury Yield	1.09	0.00%	0.00%	0.08%	0.93%
3-Month German Treasury Bill Yield	(0.74)	0.03%	0.05%	-0.07%	-0.22%
Dubai Crude Oil Spot (\$/bbl)	56.29	0.12%	2.44%	3.57%	75.19%
Gold Spot (\$/oz)	1,281.05	-0.28%	-0.82%	-2.03%	20.69%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
10/19/2017	BoP Overall	Sep	-\$7m
10/19/17 - 10/30/17	Budget Balance PHP	Sep	PHP28.8b

Developed Markets

Date	Country	Event	Period	Prior
10/19/2017	US	Philadelphia Fed Business Outlook	Oct	23.8
10/23/2017	Europe	Consumer Confidence	Oct	-1.2
10/19/2017	Japan	All Industry Activity Index MoM	Aug	-0.1%

Emerging Markets

Date	Country	Event	Period	Prior
10/19/2017	China	GDP YoY	3Q	6.9%
10/20/2017	Malaysia	CPI YoY	Sep	3.7%
10/20/2017	Brazil	IBGE Inflation IPCA-15 MoM	Oct	0.11%

Sources: BPI, Reuters, Bloomberg, PSE, CNN, MarketWatch, The Wall Street Journal, CNBC, Business World

www.bpiassetmanagement.com

