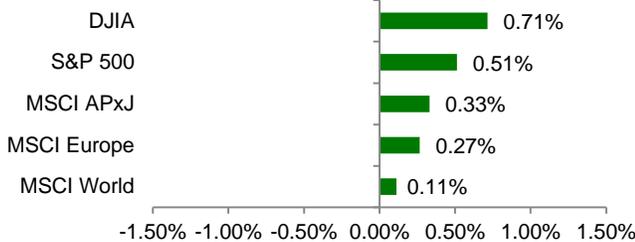


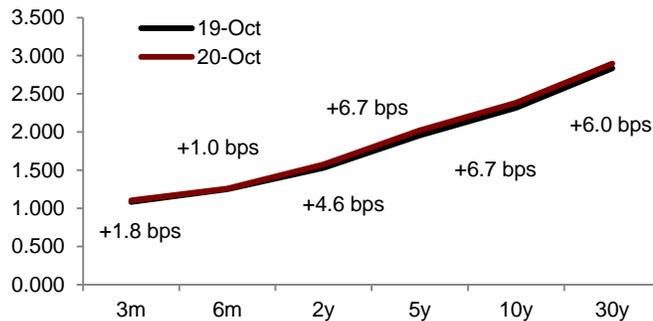
**Global equity markets were stronger on Friday following the development in the US tax reform agenda and the expected status quo government, ergo loose monetary policy, in Japan. US Treasury yields and the dollar rose on optimism from this development.**

- ✓ The **local equities market** turned down today profit-taking by overseas investors. All sectors were down, led by Mining and Oil (-1.83% DoD) after yesterday's comments by DENR Secretary Cimatú favoring higher mining excise tax. The PSEi fell 66.42 points or 0.78%, closing at 8,420.95.
- ✓ In the **local fixed income market**, yields of government securities rose as investors accounted for a potentially hawkish Fed chair nomination. The inclusion of John Taylor in the preferences of President Trump is a very hawkish signal. On average, yields rose by 15.66 bps, led by the belly of the curve which rose 26.05 bps.

### Global Equities



### US Treasuries

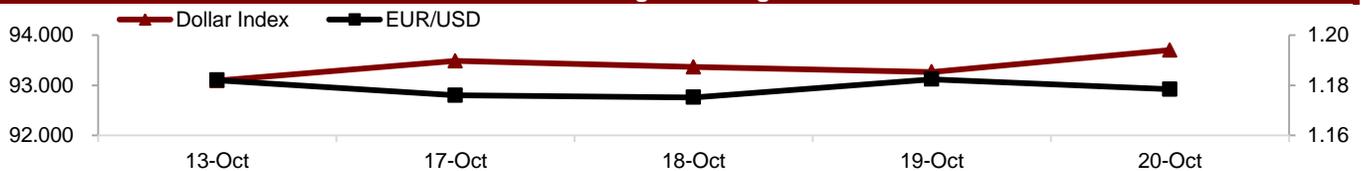


- ✓ The **Philippine peso** was flat (with a slight upward bias), as the BSP reiterated its stance that a rate increase is not urgent since the economy is not overheating. The USD/PHP closed at 51.450, the PHP strengthening 0.16%.
- ✓ The **US dollar** strengthened following data showing sales of existing or previously owned homes rising 0.7% in September, breaking a three-month losing streak. The DXY closed at 93.701 (+0.47% DoD).

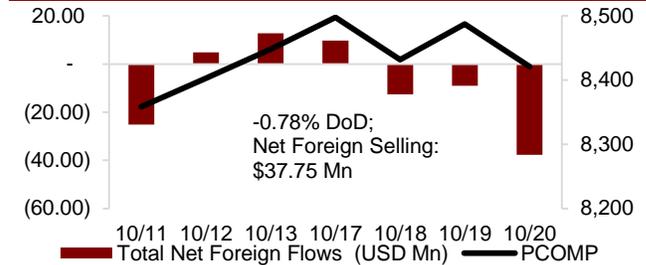
### Foreign Exchange

USD/PHP	Previous Close	51.530
	Close	51.450
EUR/USD	Previous Close	1.1824
	Indicative Rate	1.1797

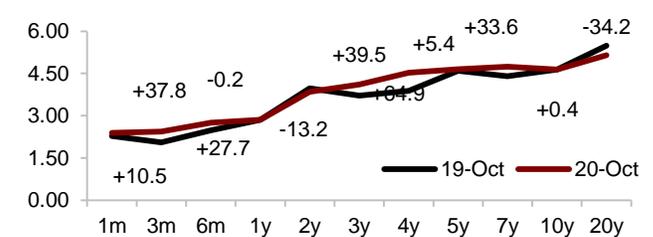
### Foreign Exchange



### PSEi Snapshot



### Local Bond Market Movement



- ✓ **US equities** extended its rally as investors' hopes for tax cuts were revived by the senate's passage of a budget blueprint for the next fiscal year. The Dow Jones Industrial Average closed at 23,328.63 (+0.71% DoD) while the S&P 500 was at 2,575.21 (+0.51% DoD).
- ✓ **European equities** inched higher on euro weakness against the dollar following the US Senate budget vote. The MSCI Europe ended at 131.79 (+0.27% DoD).
- ✓ **Asian equities** were boosted by the expectations of the continuance of Abe rule in Japan and the corresponding loose monetary policy, which is constructive for equity markets. The MSCI APxJ ended at 550.40 (+0.33% DoD).
- ✓ **US Treasury yields** rose as investors took a more risk-on stance after the senate passed a budget resolution seen as a hurdle to tax reform. On average, yields rose 4.47 bps with the 10-year rising to 2.3845%.

## Key Indicators

YIELDS AND PRICES	20-Oct-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.44	0.38%	0.39%	0.37%	-0.23%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.85	-0.00%	0.00%	-0.02%	0.48%
ROP2021 (Price)	105.83	(0.05)	(0.10)	(0.50)	(2.54)
ROP2034 (Price)	134.13	(0.38)	(0.50)	(1.55)	3.66
3-Month US Treasury Yield	1.10	0.02%	0.04%	0.08%	0.94%
3-Month German Treasury Bill Yield	(0.80)	-0.02%	-0.05%	-0.12%	-0.28%
Dubai Crude Oil Spot (\$/bbl)	54.73	-1.62%	-1.44%	1.03%	70.34%
Gold Spot (\$/oz)	1,280.50	-0.74%	-1.85%	-1.59%	20.64%

## Upcoming Economic Releases

### Philippines

Date	Event	Period	Prior
10/23/17 - 10/25/17	Budget Balance PHP	Sep	PHP28.8b
10/31/2017	Bank Lending YoY	Sep	17.9%

### Developed Markets

Date	Country	Event	Period	Prior
10/23/2017	Europe	Consumer Confidence	Oct	5.35m
10/24/2017	Japan	Nikkei Japan PMI Mfg	Oct	52.9
10/26/2017	US	Initial Jobless Claims	Oct	222k

### Emerging Markets

Date	Country	Event	Period	Prior
10/24/2017	Brazil	Trade Balance Weekly	Oct	\$586m
10/27/2017	China	Industrial Profits YoY	Sep	24.0%
10/31/2017	China	Manufacturing PMI	Oct	52.4%

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

[www.bpiassetmanagement.com](http://www.bpiassetmanagement.com)

