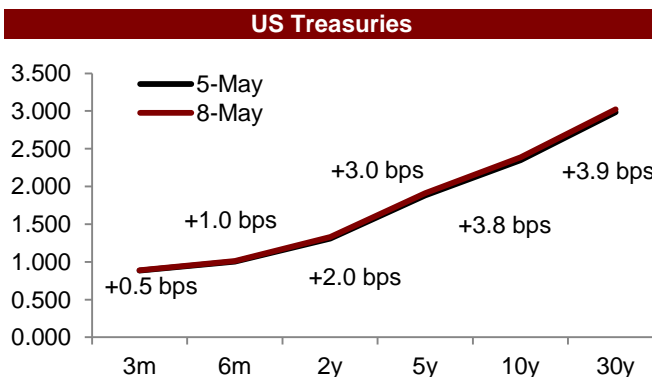
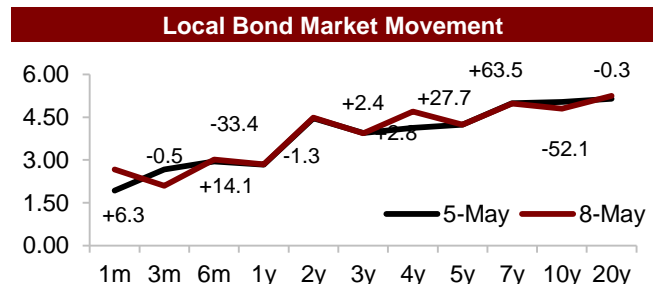
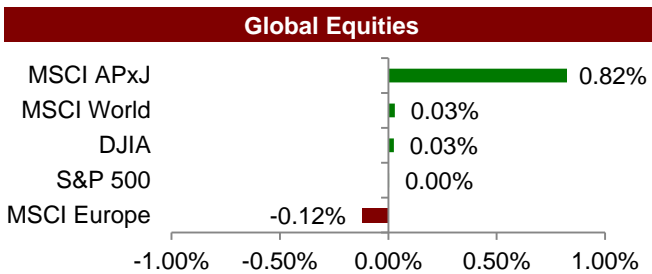
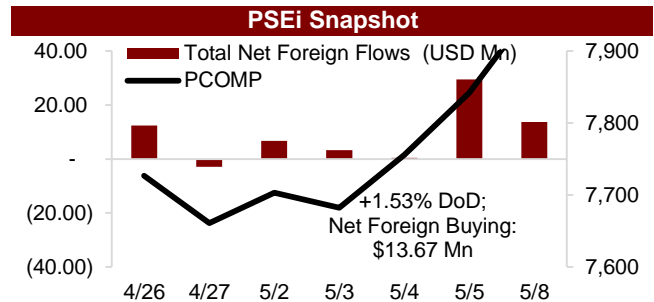


European and US equities traded flat with a downward bias as investors took profits after Emmanuel Macron's win in the recently concluded French presidential elections. However, Asian equities bucked the trend, surging (+0.82%) on the back of bullish sentiment in Korea and Japan. US Treasury yields rose ahead of the quarterly refunding of bond supply that is scheduled for this week, and the US dollar gained following the sell-off in European equities.

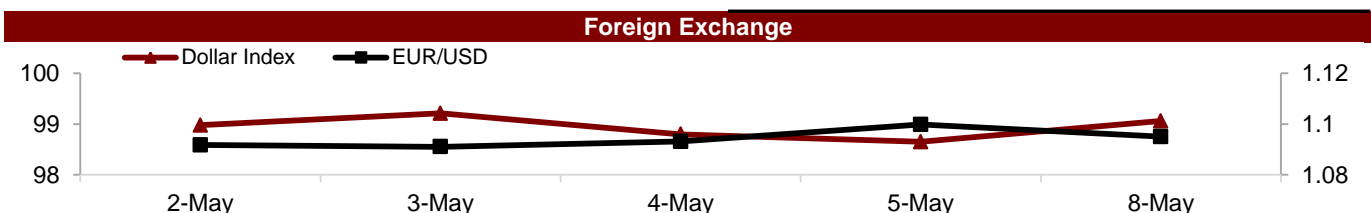
- ✓ The **local equity market** ended at an eight-month high, as better-than-expected local earnings data compounded the market-positive effects of Emmanuel Macron's win in the French presidential elections on Sunday. The PSEI rose 1.53%, closing at 7,962.33.
- ✓ In the **local fixed income market**, yields rose with increased investor risk appetites, following confirmation of the status quo in developed markets. The yield curve rose by an average of 5.67 bps, with the belly increasing by 11.45 bps.



- ✓ **US equity markets** ended mostly unchanged amid thin trading, as the ascent in energy stocks (+0.07%) pared losses from the material and healthcare sectors (-0.06%). The SPX stood at 2,399.38, while the DJIA closed at 21,012.28 (+0.03% d/d).
- ✓ **European equities** fell amid profit taking, as Macron's win in the French elections had been fully priced-in during the previous trading days. The MSCI Europe slipped 0.12%, closing at 132.99.
- ✓ **Asian markets** bucked the trend in equities, with the Nikkei (+2.31%) and Kospi (+2.30%) Indexes both reaching record highs after the market-positive Macron win in the French elections. However, Chinese stocks declined on the back of sustained regulatory tightening. The MSCI APxJ closed at 488.47 (+0.82% d/d).
- ✓ **US Treasury yields** climbed to four-week highs in anticipation of the issuance of USD 62 Bn worth of bonds in the quarterly refunding scheduled for this week. On average, US Treasury yields gained 2.37 bps.

- ✓ The **Philippine peso** rose, buoyed by risk-on sentiment from decreasing geopolitical tensions in Europe and continued foreign flows into the local equities market. The USDPHP fell 0.1% to 49.860.
- ✓ The **US dollar** gained on the back of profit-taking in European equities after President Macron's win in the French elections. The DXY appreciated 0.42% to 99.06.

Pair	Previous Close	Current
USD/PHP	49.910	49.860
EUR/USD	1.0998	1.0936



Key Indicators

YIELDS AND PRICES	8-May-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.10	-0.57%	-0.02%	-0.71%	-0.57%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.84	0.01%	-0.10%	-0.18%	0.47%
ROP2021 (Price)	106.48	0.04	(0.07)	0.09	(1.89)
ROP2034 (Price)	133.29	0.16	(0.10)	0.33	2.82
3-Month US Treasury Yield	0.89	0.01%	0.09%	0.08%	0.73%
3-Month German Treasury Bill Yield	(0.83)	-0.01%	0.02%	0.05%	-0.29%
Dubai Crude Oil Spot (\$/bbl)	47.89	0.63%	-4.58%	-11.12%	49.05%
Gold Spot (\$/oz)	1,226.27	0.38%	-2.42%	-2.25%	15.53%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
5/11/2017	Exports YoY	Mar	11.00%
5/11/2017	BSP Overnight Borrowing Rate	May	3.00%

Developed Markets

Date	Country	Event	Period	Prior
5/9/2017	US	Wholesale Inventories MoM	Mar	-0.01%
5/9/2017	Japan	Labor Cash Earnings YoY	Mar	0.40%
5/10/2017	EU	Unemployment Rate	Apr	5.10%

Emerging Markets

Date	Country	Event	Period	Prior
5/10/2017	China	CPI YoY	Apr	0.9%
5/10/2017	India	Exports YoY	Apr	27.60%
5/15/2017	Indo	Trade Balance	Apr	\$1,234Mn

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