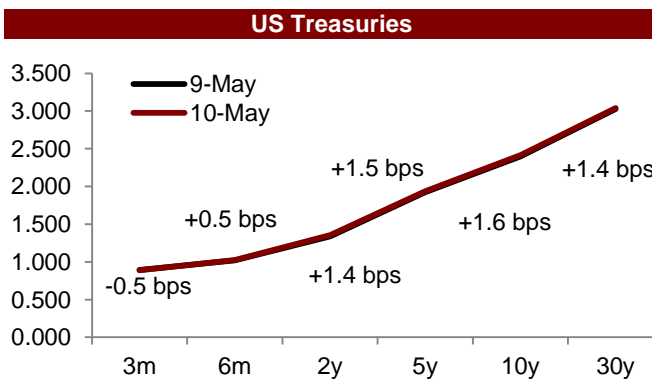
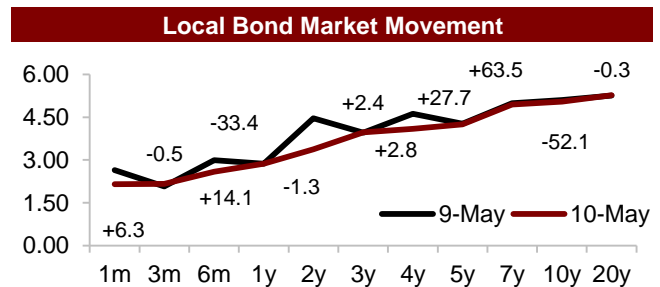
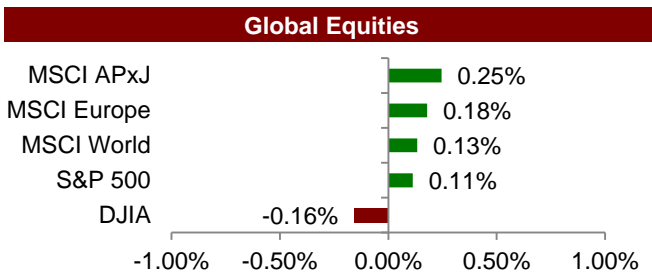
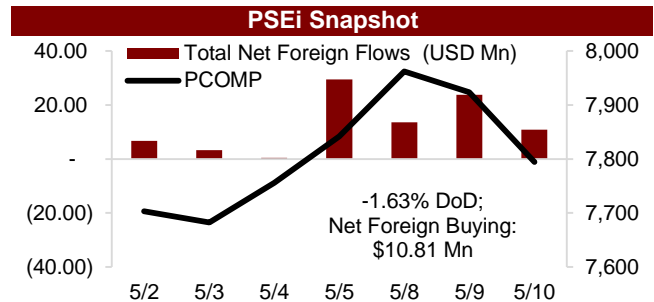


Majority of global indices were positive after the successful Presidential elections in Korea, the 3% rally in Brent crude oil prices, and continued optimism in Europe. Meanwhile, the US dollar and Treasury yields ended mixed on the back of FBI Director Comey's dismissal by US President Trump and the weak demand for Treasury bonds.

- ✓ **Local equities** fell by 129.33 pts (1.632%), as investors continued to take profits after the three-day increase that ended on May 8, which saw the index breach the 8,000 level. The PSEi closed at 7,794.17.
- ✓ Yields of **local fixed income securities** fell amid thin trading, with traders concentrating on the belly of the curve (-33.51 bps d/d). Traders anticipate no significant changes from the BSP meeting tomorrow and for the next few meetings, as newly appointed BSP Governor Espenilla is expected to continue current monetary policies. On average, yields fell 21.06 bps.

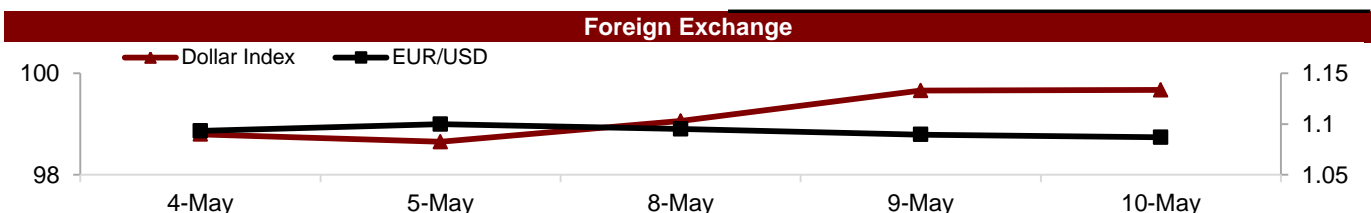


- ✓ **US equity markets** ended mixed as negative sentiment from the firing of FBI Director James Comey was offset by the energy sector rally as Brent crude oil prices rose 3%. The SPX stood at 2,399.63 (+0.11%), while the DJIA closed at 20,943.11 (-0.16%).
- ✓ **European equities** closed higher as continued optimism over the French elections buoyed the banking sector (+0.59%) and the automotive sector (+0.69%). The MSCI Europe gained 0.18%, closing at 133.83.
- ✓ **Asian markets** gained as positive sentiment ruled over regional bourses following the inauguration of South Korean President Moon-Jae. The MSCI APxJ closed at 490.57 (+0.25%).
- ✓ **US Treasury** were little changed given the soft demand in the 10Y bond auction. On average, yields rose 0.99 bps, with 10-year yields closing at 2.414.

- ✓ The **Philippine peso** weakened against the US dollar, tracking the weakness seen in regional currencies. The USDPHP gained 0.05% to 49.950.
- ✓ The **US dollar** traded sideways, mirroring the rise in US Treasury yields, slightly offset by the unpopular dismissal of FBI Director Comey. The DXY marginally increased by 0.01% to 99.66.

Foreign Exchange

USD/PHP	Previous Close	49.925
	Close	49.950
EUR/USD	Previous Close	1.0896
	Indicative Rate	1.0868



Key Indicators

YIELDS AND PRICES	10-May-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.08	-0.02%	0.01%	-0.74%	-0.59%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.87	0.02%	-0.04%	-0.16%	0.50%
ROP2021 (Price)	106.41	(0.07)	(0.13)	0.02	(1.95)
ROP2034 (Price)	133.10	(0.19)	(0.13)	0.13	2.63
3-Month US Treasury Yield	0.89	0.01%	0.05%	0.08%	0.73%
3-Month German Treasury Bill Yield	(0.87)	-0.04%	-0.04%	0.01%	-0.34%
Dubai Crude Oil Spot (\$/bbl)	48.34	0.94%	-4.47%	-10.28%	50.45%
Gold Spot (\$/oz)	1,221.40	-0.40%	-2.69%	-2.63%	15.07%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
5/15/2017	Overseas Remittances YoY	Mar	3.40%
5/15/2017	Overseas Workers Remittances	Mar	\$2,169mn

Developed Markets

Date	Country	Event	Period	Prior
5/11/2017	US	Initial Jobless Claims	6-May	238k
5/12/2017	EU	Industrial Production SA MoM	Mar	-0.30%
5/15/2017	Japan	PPI YoY	Apr	1.40%

Emerging Markets

Date	Country	Event	Period	Prior
5/12/2017	India	Industrial Production YoY	Mar	-1.20%
5/15/2017	Indo	Trade Balance	Apr	\$1234Mn
5/11/2017	China	Money Supply M2 YoY	Apr	10.60%

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