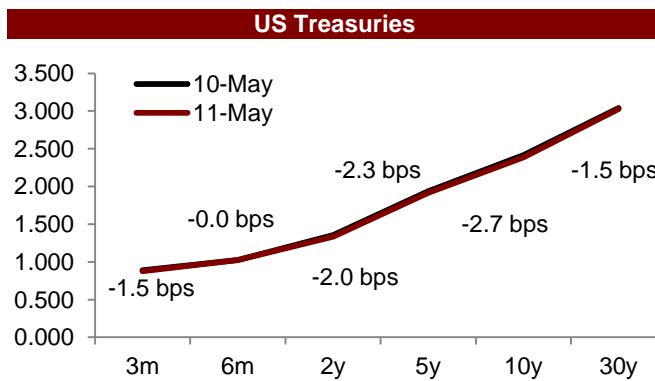
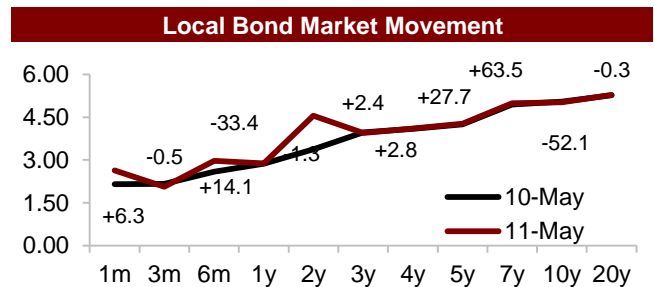
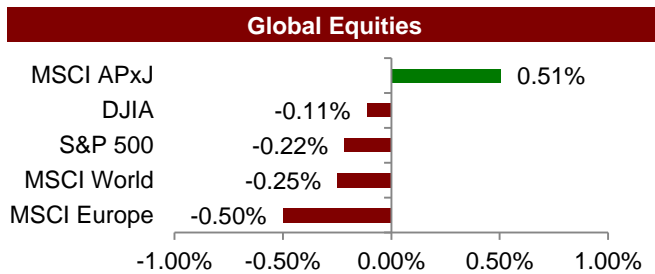
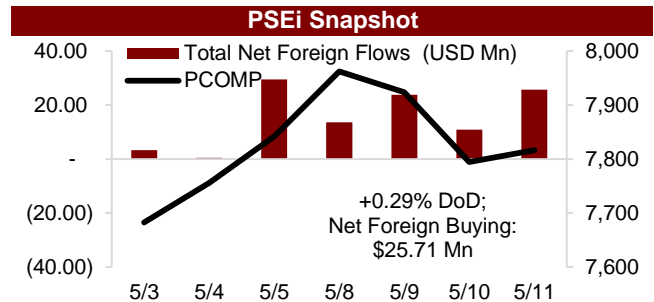


**Global equities ended mixed after profit taking ensued in European equities, and US equities declined following weak consumer corporate earnings. Meanwhile, Asian equities rose on the back of a rebound in oil prices. Treasury yields weakened despite the sluggish demand in the US Treasury Department's auction yesterday, while the dollar had a slight downward bias.**

- ✓ The **local stock market** closed higher, tracking regional markets amid net foreign fund inflows of USD25.73m. The PSEi gained 22 pts (+29 bps), closing at 7,816.40.
- ✓ **Local fixed income yields** rose, led by the belly (+24.72 bps), tracking the increase in US Treasury yields (+0.99 bps d/d). Yield rose by an average of 16.75 bps.

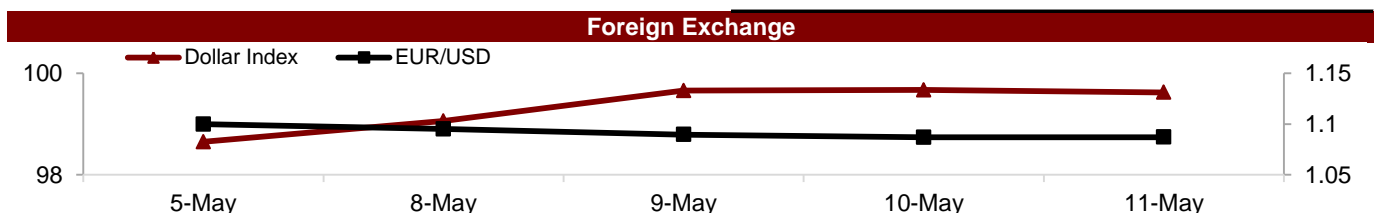


- ✓ **US equity markets** declined following a drop in earnings by consumer stocks, namely, Macy's Inc. and Kohl's Corp, as worries mount over US consumers continuing to hold back on spending. The SPX stood at 2,394.44 (-0.22%), while the DJIA closed at 20,919.42 (-0.11%).
- ✓ **European equities** dropped from a 21-month high yesterday, with the strengthening of the euro pressuring the markets as the economic outlook for the British economy remains lackluster. The MSCI Europe fell 0.50%, closing at 133.16.
- ✓ **Asian markets** closed higher after a rebound in oil prices lifted energy sectors across the region. Brent futures continued its rally by 1.1%, reaching \$50.77. The MSCI APxJ closed at 493.05 (+0.51%).
- ✓ The **US Treasury** department saw weak demand for their auction of \$15 billion bonds with tenors of 30 year maturities on Thursday. Despite this weak demand, yields still declined throughout the curve, averaging a decrease of 1.68 bps.

### Foreign Exchange

USD/PHP	Previous Close	49.950
	Close	49.910
EUR/USD	Previous Close	1.0869
	Indicative Rate	1.0874

- ✓ The **Philippine peso** ended weaker as trade deficit widened in March (USD2.3b versus USD1.75b in March 2016 and mkt est: USD2.0b). The USDPHP fell 4 bps to 49.910.
- ✓ The **US dollar** continued to decline as political uncertainty and weak consumption sent investors towards safe havens. However, the outlook on the dollar continues to be positive on the back of the widely expected interest rate hike next month. The USD depreciated 0.05% closing at 99.62.



## Key Indicators

YIELDS AND PRICES	11-May-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.07	-0.10%	0.11%	-0.20%	-0.60%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.88	0.01%	-0.02%	-0.29%	0.51%
ROP2021 (Price)	106.34	(0.05)	(0.16)	0.06	(2.02)
ROP2034 (Price)	132.79	(0.35)	(0.40)	0.22	2.32
3-Month US Treasury Yield	0.87	-0.02%	0.00%	0.07%	0.71%
3-Month German Treasury Bill Yield	(0.89)	-0.01%	-0.03%	-0.12%	-0.35%
Dubai Crude Oil Spot (\$/bbl)	49.69	3.39%	0.63%	-8.47%	54.65%
Gold Spot (\$/oz)	1,225.05	0.48%	-0.25%	-3.89%	15.42%

## 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
5/12/2017	US	CPI MoM	Apr	-0.30%
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
5/12/2017	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