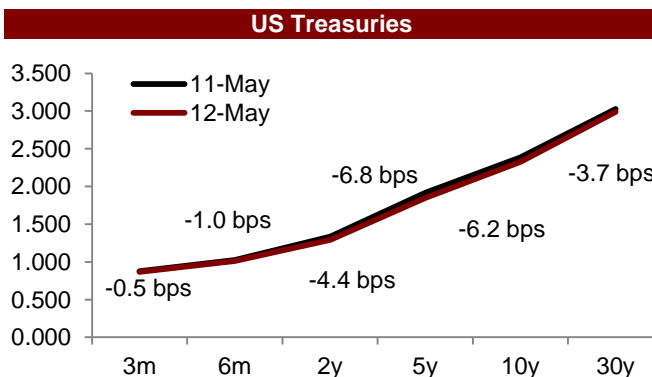
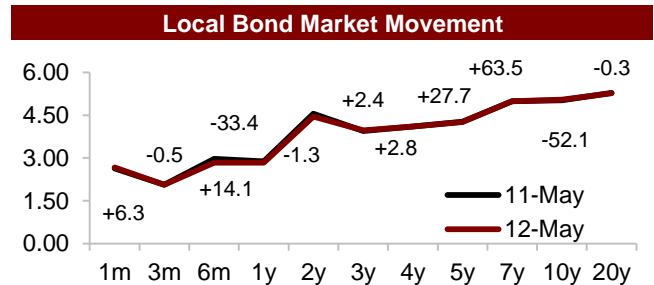
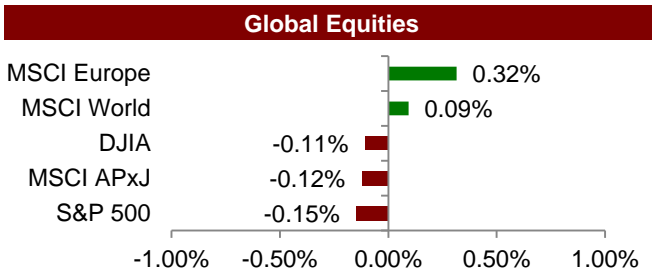
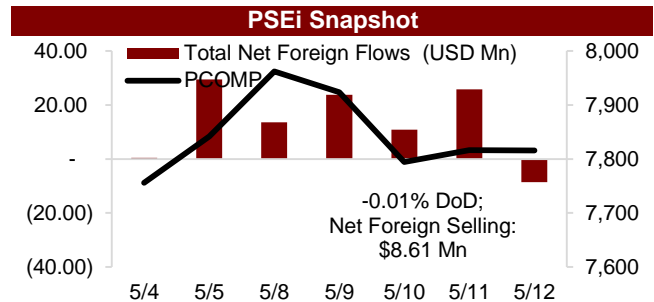


**Global equities ended mixed as market participants digested a mixed bag of economic data releases globally. Meanwhile, US Treasury yields and the dollar slumped on the back of weaker-than-expected inflation and retail data in the US.**

- ✓ The **local equities market** ended slightly lower due to profit-taking and net foreign selling which amounted to USD8.6 million. The PSEi index declined by 0.01%, closing at 7,815.53.
- ✓ **Local fixed income yields** fell, mirroring the decline in US Treasury yields, and following indications from newly-appointed BSP Governor Espenilla that there would be no policy changes in the near future. On average, yields slid by an average of 1.90 bps, led by the short end which fell 3.98 bps.

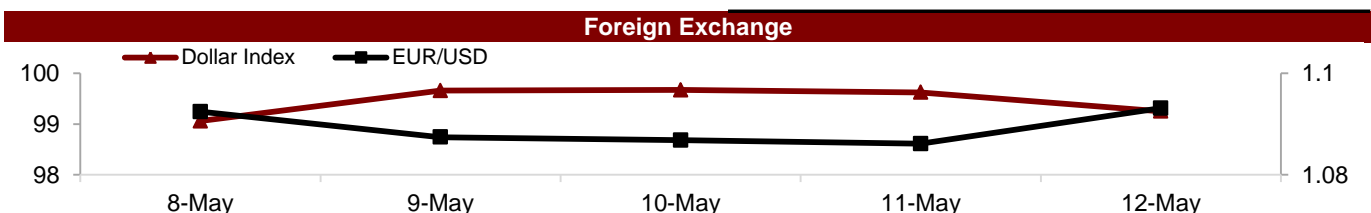


- ✓ **US equities** edged lower amid fears of weakness in the retail sector following the lower-than-expected retail sales data. The SPX stood at 2,390.90 (-0.15%), while the DJIA closed at 20,896.61 (-0.11%).
- ✓ **European equity indices** were buoyed by Germany's Q1 GDP, which slightly beat expectations at 2.9% vs. est. of 2.8%. The MSCI Europe Index rose 32 bps to 133.58.
- ✓ **Asian markets** closed lower amid geopolitical concerns and as the corporate earnings season ensued. The MSCI APxJ closed at 492.45 (-0.12%).
- ✓ **US Treasury yields** fell as market players adopted a flight-to-safety stance on the back of weak US inflation and retail sales data. Yields fell 3.77 bps on average, with 10-year yields falling 6.2 bps to 2.326%.

- ✓ The **Philippine peso** appreciated as USD weakened from the decline US Treasury yields and as oil prices rose overnight. The USDPHP appreciated 0.30% to 49.76
- ✓ The **US dollar** slumped following the weaker-than-expected inflation print and retail sales data. The USD depreciated 0.37% closing at 99.25.

### Foreign Exchange

USD/PHP	Previous Close	49.910
	Close	49.760
EUR/USD	Previous Close	1.0870
	Indicative Rate	1.0871



## Key Indicators

YIELDS AND PRICES	12-May-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.06	-0.00%	-0.60%	-0.19%	-0.61%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.83	-0.05%	-0.00%	-0.02%	0.46%
ROP2021 (Price)	106.33	(0.00)	(0.11)	(0.02)	(2.03)
ROP2034 (Price)	132.86	0.08	(0.26)	(0.09)	2.40
3-Month US Treasury Yield	0.87	-0.01%	-0.02%	0.07%	0.71%
3-Month German Treasury Bill Yield	(0.88)	0.01%	-0.06%	-0.07%	-0.34%
Dubai Crude Oil Spot (\$/bbl)	49.50	-0.38%	4.01%	-10.05%	54.06%
Gold Spot (\$/oz)	1,228.13	0.25%	0.53%	-4.57%	15.71%

## 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
5/15/2017	US	Industrial Production MoM	Apr	0.50%
5/16/2017	EU	CPI YoY	Apr F	1.50%
5/15/2017	Japan	PPI YoY	Apr	1.40%

### Emerging Markets

Date	Country	Event	Period	Prior
5/15/2017	India	Exports YoY	Apr	27.60%
5/15/2017	Indo	Trade Balance	Apr	\$1234Mn
5/15/2017	China	Retail Sales YoY	Apr	10.90%

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