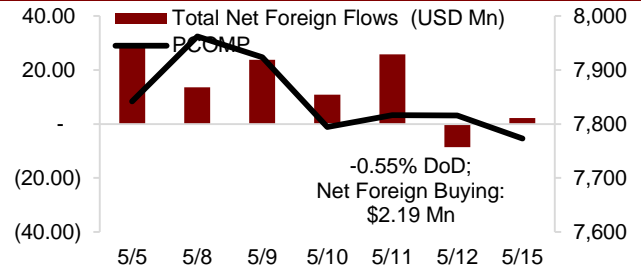


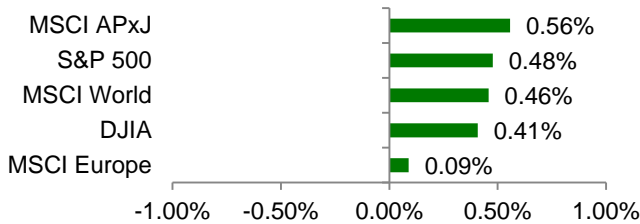
Market players adopted a risk-on stance following the surge in oil prices as Afghanistan and Russia agreed to an extended supply cut with the OPEC. As a result, US Treasury yields rose to 8-year highs. Meanwhile, the dollar continued to slump amid the euro's strength on rising inflation expectations.

- ✓ The **local equities market** closed lower as investors continued taking profits ahead of two IPOs, namely Eagle Cement Corp. and Cebu Landmasters Inc. this week. The PSEI declined by 0.545% to 7,772.93.
- ✓ **Local fixed income yields** fell, tracking movements in US treasury yields due to the release of weak US inflation data last week. On average, yields declined by 0.87 bps despite the long end increasing by 4.15 bps.

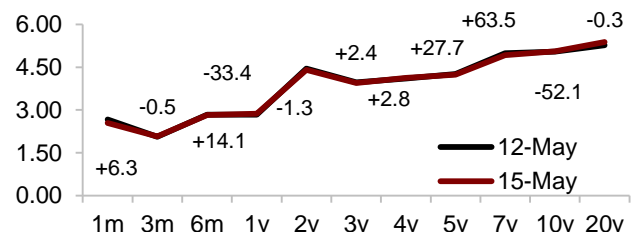
PSEI Snapshot



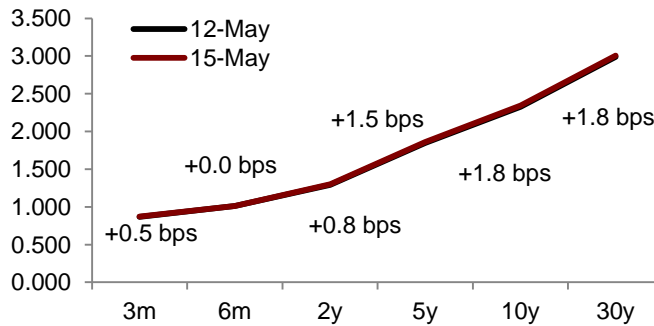
Global Equities



Local Bond Market Movement



US Treasuries



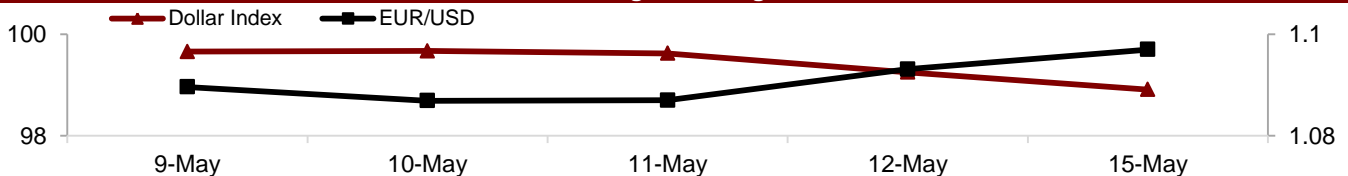
- ✓ **US equities** rallied amidst a global cyber attack which left computers in top companies hacked. Meanwhile, Afghanistan and Russia's agreement to extend their OPEC cuts ushered a 2% rise in oil prices lifting global markets. The SPX was up 0.48%, while the DJIA grew 0.41%.
- ✓ **European equity indices** marginally increased led by banks and mining sectors. In particular, Glencore and Anglo American both grew 3.2%. Moreover, the FTSE has reached a record high, closing at 7,454.37. The MSCI Europe Index rose 0.09% to 133.70.
- ✓ **Asian markets** tracked global movements-- rising on higher inflation expectations caused by a surge in oil prices, which offset the weaker-than-expected Chinese economic data. The MSCI APxJ gained 0.56% d/d to 495.19.
- ✓ **US Treasury yields** rose to an eight year high on the back of a slew of auctions by the US treasury Department. Yields were up 1.05 bps on average, with 10-year yields increasing 1.76 bps to 2.343%.

- ✓ The **Philippine peso** strengthened vis-à-vis the USD, following regional movements in Asian currencies and amid the positive March overseas remittances data. The USDPHP depreciated by 0.14% to 49.690.
- ✓ The **US dollar** fell against its major peers, as currencies of oil-linked economies rose with oil prices, and as markets reacted to the release of underwhelming New York state area manufacturing data. The DXY dipped 0.34% to 98.91.

Foreign Exchange

USD/PHP	Previous Close	49.760
	Close	49.690
EUR/USD	Previous Close	1.0931
	Indicative Rate	1.0943

Foreign Exchange



Key Indicators

YIELDS AND PRICES	15-May-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.07	0.01%	-0.03%	-0.18%	-0.60%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.87	0.04%	0.03%	0.03%	0.50%
ROP2021 (Price)	106.43	0.10	(0.04)	0.11	(1.93)
ROP2034 (Price)	133.19	0.32	(0.10)	0.08	2.72
3-Month US Treasury Yield	0.87	0.00%	-0.02%	0.07%	0.71%
3-Month German Treasury Bill Yield	(0.87)	0.01%	-0.04%	-0.07%	-0.33%
Dubai Crude Oil Spot (\$/bbl)	50.84	2.71%	6.16%	-6.11%	58.23%
Gold Spot (\$/oz)	1,230.69	0.21%	0.36%	-4.28%	15.95%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
5/18/2017	GDP YoY	1Q	6.60%
5/19/2017	BoP Overall	Apr	-\$550m

Developed Markets

Date	Country	Event	Period	Prior
5/18/2017	US	Initial Jobless Claims	13-May	236k
5/17/2017	EU	CPI YoY	Apr F	1.50%
5/15/2017	Japan	Industrial Production MoM	MarF	-2.10%

Emerging Markets

Date	Country	Event	Period	Prior
6/7/2017	India	RBI Repurchase Rate	7-Jun	6.25%
6/2/2017	Indo	CPI YoY	May	4.17%
5/31/2017	China	Manufacturing PMI	May	51.2

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