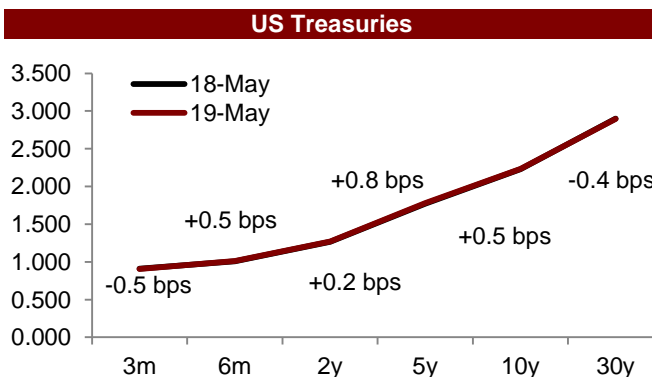
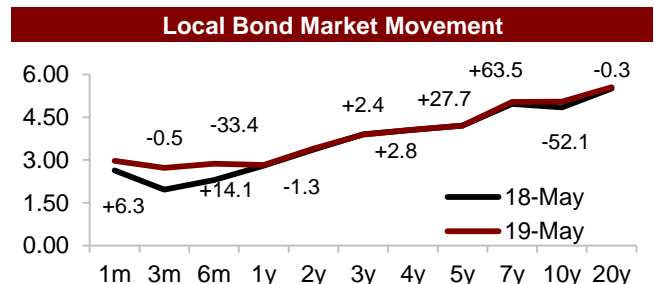
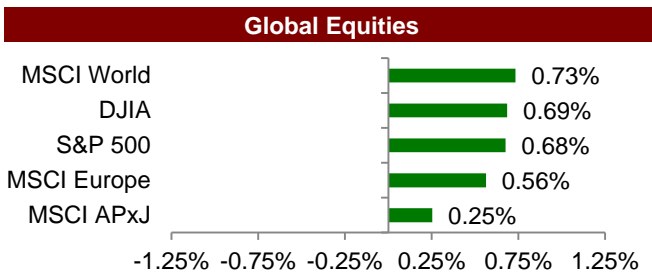
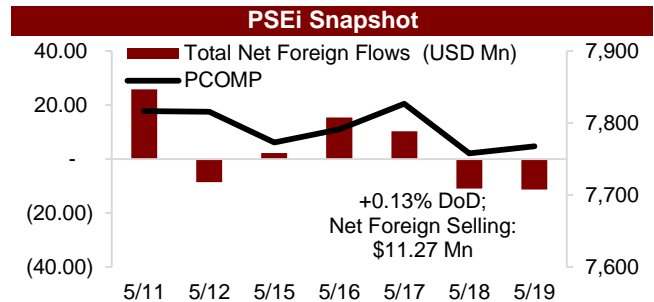


Global equities traded upward after fears over the Trump administration's instability subsided. Meanwhile, the rally in oil prices lifted Asian equities as it climbed to a one month high. Conversely, US Treasury yields rose as market players shifted to more risky assets. The dollar continued its decline, falling 2.1% for the week.

- ✓ The **local equities market** slightly increased by 0.13% as it tracked overseas markets, with investors hunting for bargains following last Thursday's disappointing 1Q GDP print. The PSEi index closed at 7,767.72.
- ✓ In the **local fixed income market**, the yield curve rose as investors took caution ahead of the Php15 billion Treasury bill auction on Monday. Yields went up by 16.88 bps on average, led by the 42.16 bps hike in the short-end of the curve.

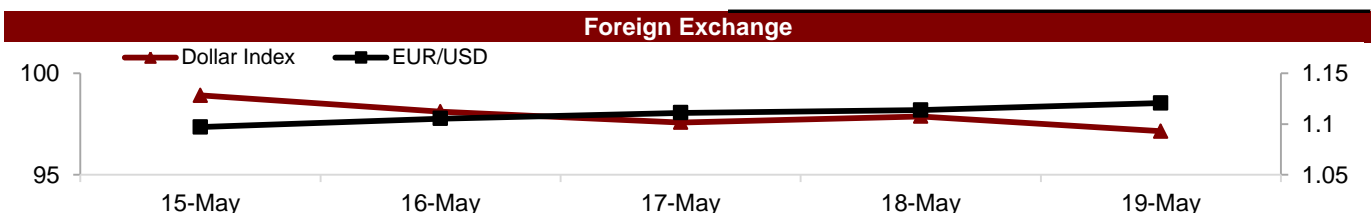


- ✓ **US equities** rebounded as Trump-related fears receded and as investors took the chance to hunt for bargains. Better-than-expected economic data soothed markets, as investors shifted their focus to fundamentals. The S&P edged 0.68% higher, while the Dow Jones rose 0.69%.
- ✓ **European equities** recovered on Friday as they tracked movement in the US markets. Also, aggregated Q1 earnings closed at their highest levels in six to seven years, bolstering markets. The MSCI Europe index rose 0.56% to 132.16
- ✓ **Asian markets** climbed, as oil extended gains on the back of a statement released by the Saudi Arabian minister that indicated agreement between most oil producers to extend production cuts by nine months. The MSCI APxJ gained 0.25% to 491.92.
- ✓ **US Treasury yields** marginally increased, reflecting increasing demand for riskier assets as controversies surrounding Trump subsided. The 10-year US Treasury yield gained 0.51 basis points to 2.2294%.

- ✓ The **Philippine peso** weakened against the dollar due to stronger-than-expected US economic data releases, with net foreign outflows also weighing on the local currency. The USDPHP increased by 0.13% to 49.870.
- ✓ The **US dollar** continued its decline, dropping 2.1% for the week - its biggest weekly drop since April 2016. This came despite the rally in US equities. The DXY fell 0.75% to 97.142.

Foreign Exchange

USD/PHP	Previous Close	49.805
	Close	49.870
EUR/USD	Previous Close	1.1136
	Indicative Rate	1.1146



Key Indicators

YIELDS AND PRICES	19-May-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.72	0.76%	0.66%	0.64%	0.06%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.82	0.02%	-0.01%	0.01%	0.45%
ROP2021 (Price)	106.50	0.03	0.17	(0.19)	(1.86)
ROP2034 (Price)	133.44	(0.16)	0.57	(0.38)	2.97
3-Month US Treasury Yield	0.90	-0.01%	0.04%	0.11%	0.74%
3-Month German Treasury Bill Yield	(0.87)	-0.03%	0.02%	-0.07%	-0.33%
Dubai Crude Oil Spot (\$/bbl)	52.04	2.22%	5.13%	-2.09%	61.97%
Gold Spot (\$/oz)	1,255.91	0.70%	2.26%	-1.90%	18.32%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
5/31/2017	Money Supply M3 SRF YoY	Apr	11.2%
5/19 - 5/31	Budget Balance PHP	Apr	-61.5b

Developed Markets

Date	Country	Event	Period	Prior
5/22/2017	US	Chicago Fed Nat Activity Index	Apr	.08
5/22/2017	EU	Industrial Production YoY	Apr	5.80%
5/22/2017	Japan	Trade Balance	Apr	¥614.7bn

Emerging Markets

Date	Country	Event	Period	Prior
5/31/2017	China	Manufacturing PMI	May	51.2
6/1/2017	India	Nikkei India PMI Mfg	May	52.5
6/2/2017	Indo	CPI YoY	May	4.17%

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