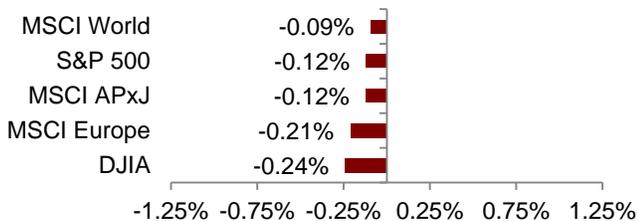


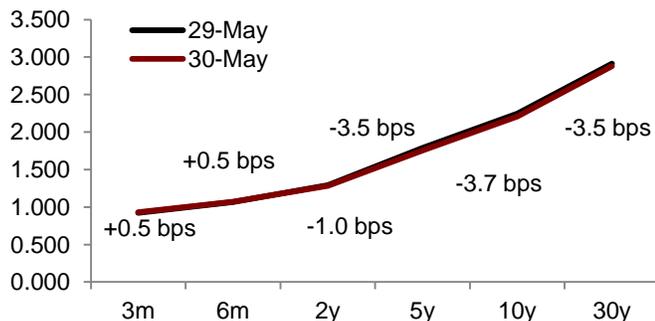
**Global equities fell after ECB President Mario Draghi damped speculation of tapering in the Eurozone. Muted trading resulted as market players were cautious ahead of key economic data releases and poll results. US Treasury yields declined after market participants resulted to safe haven buying.**

- ✓ The **local equities index** fell by 0.32% weighed down by a decrease in the property sector (-0.52%) due to profit taking after a week of gains, led by Ayala Land Inc. (-1.11%) and Megaworld Corp. (-1.70%). The PSEi declined by 0.32%, closing at 7,860.77.
- ✓ Yields of **fixed income** securities slumped despite lackluster demand as the auction of the 7-year FXTN was awarded at the low end of the range. Total awarded volume by the Bureau of Treasury (BTr) amounted to PHP 4 billion (indicatively Php 12 billion). Yields fell the most in the belly (-11.08 bps) of the curve as compared to the short (-1.14 bps) and the long ends (+5.31 bps). On average, yields fell by 3.67 bps.

### Global Equities

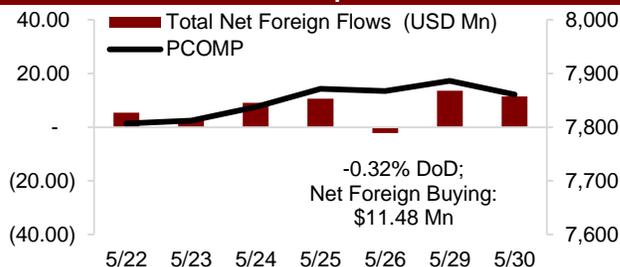


### US Treasuries



- ✓ The **Philippine peso** moved sideways with a slight downward bias as political risk in the US remained unchanged, resulting in uncertainty around the dollar. The PHP marginally declined against the USD by 0.04% to 49.84.
- ✓ The **US dollar** fell as it tracked negative sentiment in US equities, offsetting renewed weakness in the euro after dovish comments from ECB's Draghi erased speculations about any potential tapering discussions during its next meeting. The DXY diminished 0.17% ending at 97.44.

### PSEi Snapshot



### Local Bond Market Movement

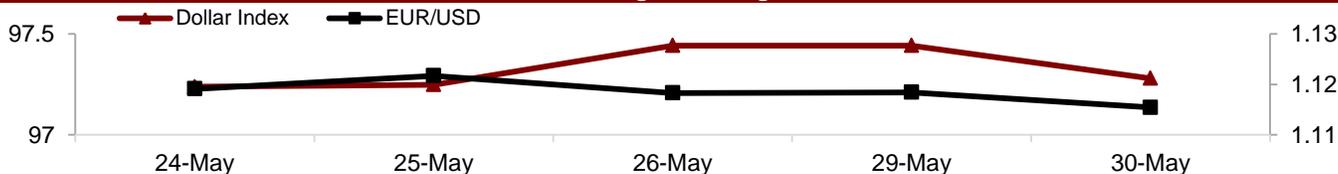


- ✓ **US equities** fell, albeit with thin trading volume following the Memorial Day weekend. Energy shares fell given non-compliance concerns following the recent OPEC decision, while technology shares bucked the trend. The DJIA and the S&P 500 slid 0.24% and 0.12%, respectively.
- ✓ **European shares** continued to decline as bank shares edged lower, tracking bond yields. Moreover, Euro-area economic confidence fell for the first time this year. The MSCI Europe declined 0.21% closing at 131.76.
- ✓ **Asian stocks** also saw muted market activity given the holidays in US, UK, and China. Market players were also cautious ahead of the release of China's PMI numbers. The MSCI APxJ slid 0.12% to 498.63.
- ✓ **US Treasury yields** ended flat with a slight downward bias after comments from Fed Governor Brainard suggested a reassessment on monetary policy, considering the soft inflation materializing at the moment. On average, yields fell 1.76 bps.

### Foreign Exchange

USD/PHP	Previous Close	49.820
	Close	49.840
EUR/USD	Previous Close	1.1184
	Indicative Rate	1.1141

### Foreign Exchange



## Key Indicators

YIELDS AND PRICES	30-May-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	1.90	0.00%	-0.20%	-0.22%	-0.77%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.84	0.00%	0.01%	-0.11%	0.47%
ROP2021 (Price)	106.49	0.08	(0.02)	(0.02)	(1.88)
ROP2034 (Price)	133.28	(0.08)	(0.43)	(0.12)	2.81
3-Month US Treasury Yield	0.93	0.01%	0.03%	0.14%	0.77%
3-Month German Treasury Bill Yield	(0.85)	0.02%	0.02%	0.01%	-0.31%
Dubai Crude Oil Spot (\$/bbl)	50.36	-0.22%	-3.32%	0.34%	56.74%
Gold Spot (\$/oz)	1,263.15	-0.50%	0.96%	-0.41%	19.01%

## Upcoming Economic Releases

### Philippines

Date	Event	Period	Prior
5/31/2017	Bank Lending YoY	Apr	18.4%
6/6/2017	CPI YoY	May	3.40%

### Developed Markets

Date	Country	Event	Period	Prior
5/31/2017	US	MBA Mortgage Applications	May	4.40%
6/1/2017	Japan	Capital Spending YoY	1Q	3.8%
5/31/2017	EU	GDP YoY	1Q	2.70%

### Emerging Markets

Date	Country	Event	Period	Prior
6/1/2017	China	Caixin China PMI Mfg	May	50.3
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