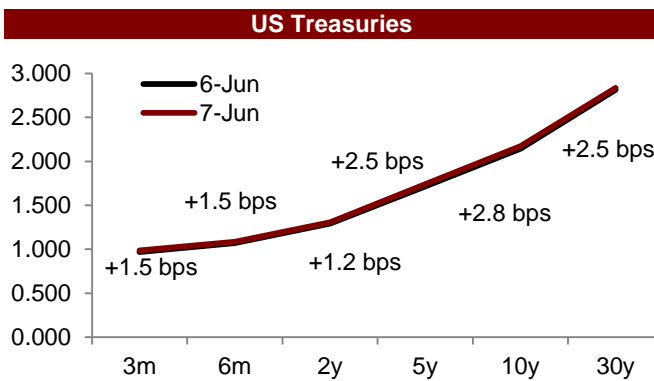
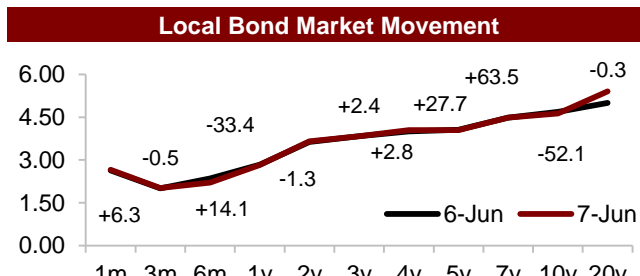
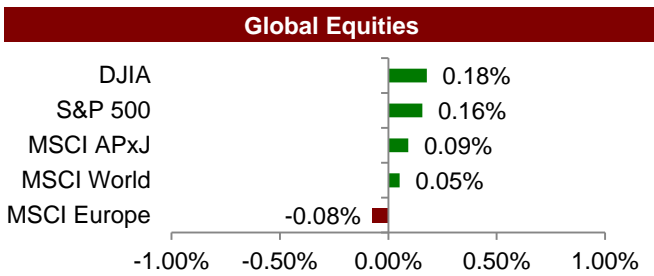
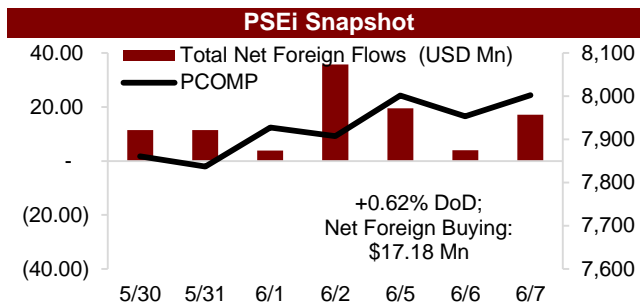


Global equities reversed recent losses on hopes that Former FBI Director James Comey will provide less damaging testimony to the Trump administration than previously expected. Reduced political uncertainty contributed to rising US Treasury yields and strengthening of the US dollar. However, European shares bucked the trend on concerns related to the implications of Santander's rescue of Banco Popular.

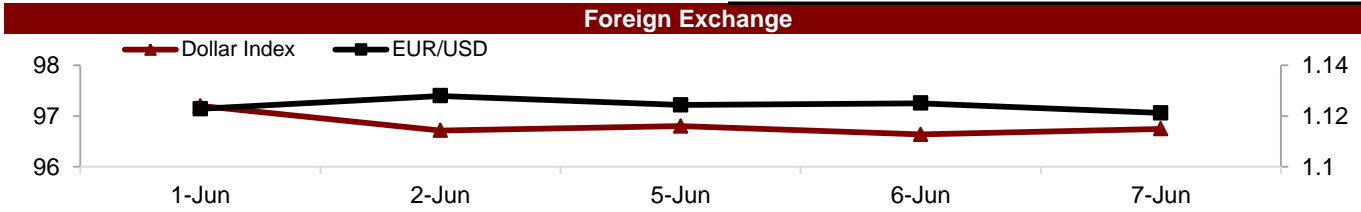
- ✓ **The local stock index** closed higher as the advancement of the tax reform bill boosted investor confidence on the market outlook. The PSEi increased by 0.62%, ending at 8,002.32..
- ✓ **Philippine bond yields** rose, as market players took profit ahead of multiple risk events happening today (UK election, Comey's testimony, and the ECB meeting). The curve gained 2.37 bps on average, led by the long end, which increase by 11.83 bps.



- ✓ **US equities** edged higher as market players anticipated a more subdued testimony from former FBI chief James Comey. The DJIA ended at 21,173.69 (+0.18% dod) while the S&P 500 closed at 2,433.14 (+0.16% dod).
- ✓ **European equity markets** declined again as investors digested Santander's rescue of Banco Popular, fueling concerns of Euro-wide exposure. The major markets FTSE (-0.62% dod), CAC40 (-0.07% dod), and DAX (-0.14% dod) were all down for the day. MSCI Europe fell 0.08% to 131.36.
- ✓ **Asian equities** rose despite a sharp drop in oil prices. Brent and WTI dove 4.11% and 5.13%, respectively day-on-day after an unexpected supply increase US crude inventories, which grew by 3.3 million last week. MSCI APxJ advanced 0.09% closing at 503.23.
- ✓ **US Treasury yields** rose as investors sold off treasuries amid watered down political risk brought about by James Comey's written statement ahead of his scheduled testimony. On average, yields rose 2.00 bps, with 10-year yields rising 2.78 bps to close at 2.173%.

Foreign Exchange

USD/PHP	Previous Close	49.560
	Close	49.510
EUR/USD	Previous Close	1.1250
	Indicative Rate	1.1260



Key Indicators

YIELDS AND PRICES	7-Jun-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.02	0.01%	0.04%	-0.65%	-0.65%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.82	-0.01%	-0.03%	-0.01%	0.45%
ROP2021 (Price)	106.78	(0.03)	0.24	0.34	(1.58)
ROP2034 (Price)	135.11	0.11	1.70	1.99	4.64
3-Month US Treasury Yield	0.99	0.02%	0.02%	0.10%	0.82%
3-Month German Treasury Bill Yield	(0.85)	-0.05%	-0.01%	-0.03%	-0.31%
Dubai Crude Oil Spot (\$/bbl)	48.39	1.26%	-2.20%	1.68%	50.61%
Gold Spot (\$/oz)	1,287.10	-0.55%	1.43%	5.36%	21.26%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
6/9/2017	Trade Balance	Apr	-\$2302m
6/9/2017	Exports YoY	Apr	21.0%

Developed Markets

Date	Country	Event	Period	Prior
6/8/2017	US	Initial Jobless Claims	3-Jun	248k
6/8/2017	EU	ECB Main Refinancing Rate	8-Jun	0.000%
6/9/2017	Japan	Tertiary Industry Index MoM	Apr	-0.2%

Emerging Markets

Date	Country	Event	Period	Prior
6/8/2017	Indo	Foreign Reserves	May	\$123.25bn
6/9/2017	China	CPI YoY	May	1.2%
6/12/2017	India	Industrial Production YoY	Apr	2.7%

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