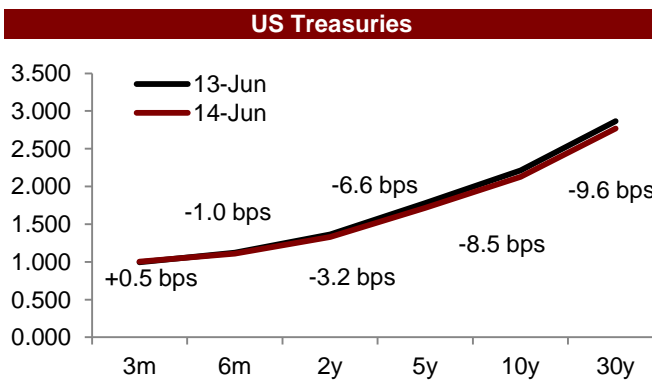
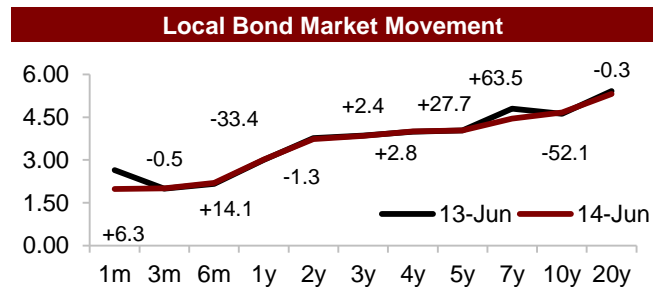
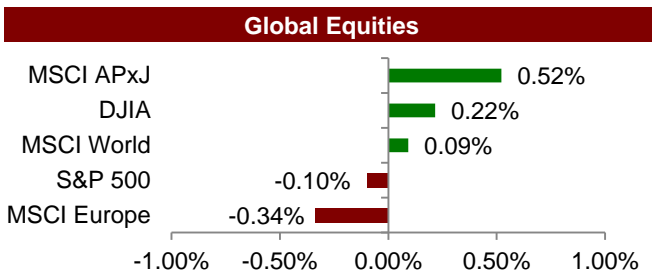
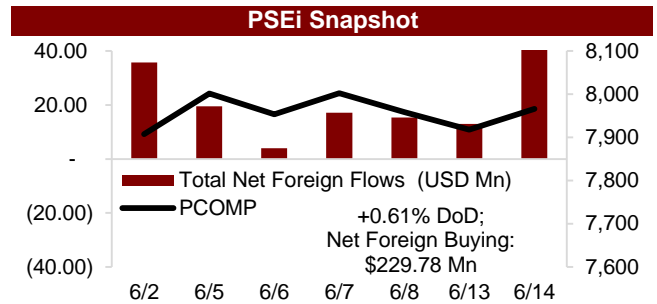


Global equities were mixed as lackluster US economic data stoked fears of weaker than expected US growth. The US dollar remained flat as Fed rate hike was largely consensus. However, the US treasury yields fell on statements from the Fed suggesting that inflation will fall short of its target for the year.

- ✓ **Local equities** rose on the back of heavy foreign buying (USD 229.91m) partially due to the sale of MPI's shares in MER. The services sector posted the highest gain (+1.23% d/d). The PSEi added 0.61%, closing at 7,966.01.
- ✓ **Yields of Philippine fixed income securities** fell, with the yield curve steepening as short-term yields (-15.32 bps d/d) fell faster than the belly (-7.57 bps d/d) and long end (-1.75 bps d/d) of the curve. This shows that investors are maintaining flexibility ahead of the expected FOMC rate hike. Yields fell 8.70 bps on average.

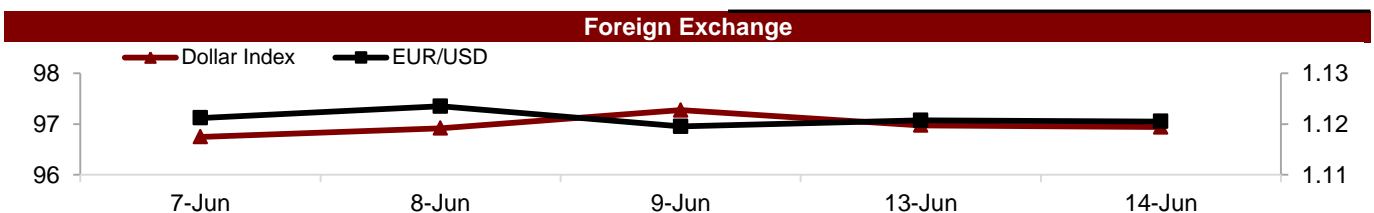


- ✓ **US stocks** were mixed on the back of lackluster data. The US consumer department reported a 0.3% decline in US retail sales in May, far below consensus expectations of a 0.1% increase. The S&P 500 lost 0.10% to close at 2,437.92, while the DJIA increased 0.22% to close at 21,374.56.
- ✓ **European equity markets** fell as investor anxiety over US economic growth and UK political uncertainty rose. MSCI Europe fell by 0.34% to close at 130.82.
- ✓ **Asian equity markets** were mixed ahead of the Fed meeting and as Chinese data gave an unclear picture of the economic recovery--with industrial output increasing 6.5% (same as April), and retail sales coming in-line with estimates, but fixed asset investments disappointing. The MSCI Asia ex-Japan was up 0.52% day-on-day to close at 506.32.
- ✓ **US Treasury yields** fell after the FOMC interest rate decision as statements from the Fed suggested that inflation will fall short of its target this year. The yield curve fell 4.74 bps on average, with of 2-year yields falling 3.2 bps to 1.331%.

- ✓ The **Philippine peso** moved sideways with a slight upward bias amid strong foreign inflows. The dollar fell ahead of a widely-expected FOMC rate hike. The USDPHP lost 0.06%, ending the day at 49.505.
- ✓ The **US dollar** remained flat as the FOMC decision came in line with consensus of a 25bps rate hike. The DXY lost 0.04% to 96.939.

Foreign Exchange

USD/PHP	Previous Close	49.535
	Close	49.505
EUR/USD	Previous Close	1.1207
	Indicative Rate	1.1214



Key Indicators

YIELDS AND PRICES	14-Jun-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.00	0.01%	-0.02%	-0.06%	-0.67%
1-Year Philippine Treasury Bill Yield (PDST-R2)	3.02	0.01%	0.20%	0.19%	0.65%
ROP2021 (Price)	106.90	0.07	0.12	0.56	(1.46)
ROP2034 (Price)	134.86	0.14	(0.25)	2.00	4.40
3-Month US Treasury Yield	1.00	0.01%	0.02%	0.13%	0.84%
3-Month German Treasury Bill Yield	(0.86)	0.01%	-0.01%	0.03%	-0.32%
Dubai Crude Oil Spot (\$/bbl)	46.94	-0.59%	-3.00%	-5.17%	46.09%
Gold Spot (\$/oz)	1,260.77	-0.46%	-2.05%	2.66%	18.78%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
6/19/2017	BoP Overall	May	\$917m
6/22/2017	BSP Overnight Borrowing Rate	June	3.0%

Developed Markets

Date	Country	Event	Period	Prior
6/16/2017	US	Housing Starts MoM	May	-2.6%
6/16/2017	EU	CPI YoY (Final)	May	1.9%
6/19/2017	Japan	Exports YoY	May	7.5%

Emerging Markets

Date	Country	Event	Period	Prior
6/15/2017	India	Exports YoY	May	19.8%
6/15/2017	Indo	Wholesale Prices YoY	May	3.85%
6/15/2017	Indo	Trade Balance	May	\$1238m

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