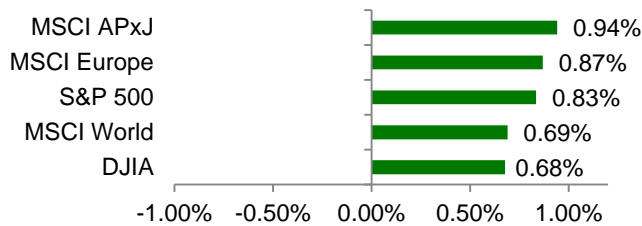


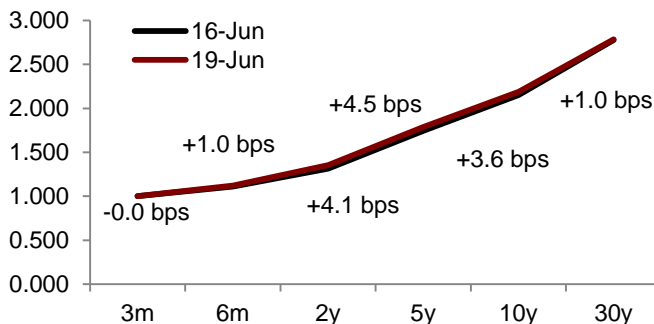
Strong rebound from US technology shares boost investor sentiment globally. However, continuing expectations for wage growth take US Treasury yields higher. US dollar remains flat amidst a lack of economic data and a potential escalation in political risk in Syria.

- ✓ The **local equities market** ascended on optimism amid President Macron's political party winning a majority vote in the French parliamentary on Sunday. The PSEi advanced 0.78%, closing at 7,943.75.
- ✓ In the **local fixed income market**, yields increased as the BSP posted its first current account deficit in 15 years (\$59m). The yield curve rose 13.73 bps on average, led by the belly, which gained 22.08 bps.

Global Equities

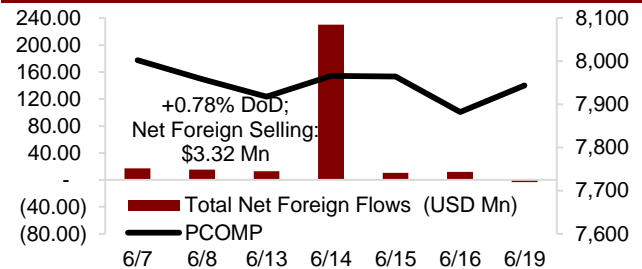


US Treasuries

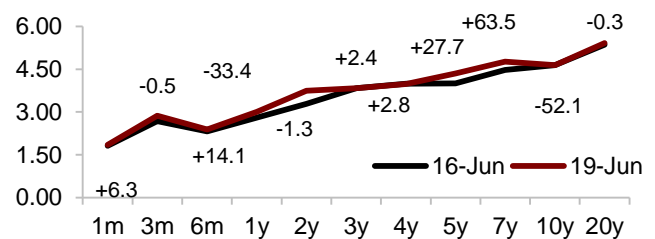


- ✓ The **Philippine peso** weakened after the Philippines posted a deficit in its balance of payments. The deficit was the country's first since 2002, and it amounted to \$59 million. The USDPHP increased by 0.02%, ending at the 49.91 level.
- ✓ The **US dollar** remained flat with a slight upward bias as investors remain wary of political developments (e.g. escalating conflict in Syria as Russia retaliates for US-led coalition downing a warplane), barring new economic data. The DXY increased 0.40% to 97.548.

PSEi Snapshot



Local Bond Market Movement

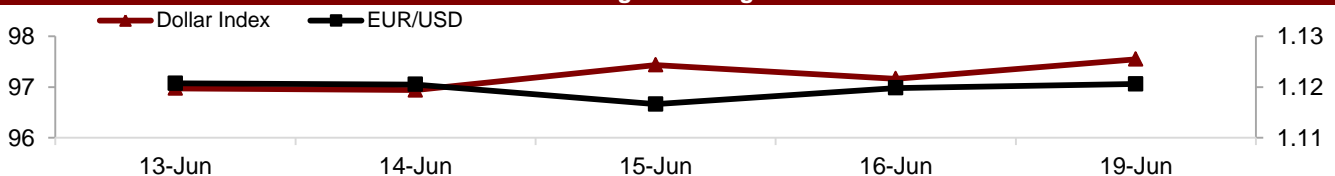


- ✓ **US stocks** continued its gains as technology shares continued to rise, led by Apple and Facebook. Investors' shift in focus towards technology companies coincide with lackluster economic data. The S&P 500 gained 0.83% to close at 2,453.46, while the DJIA rose 0.68%, ending at 21,528.99.
- ✓ **European stocks** rose on the back of positive investor sentiment as French President Macron's recently formed party won a majority in parliamentary elections on Sunday. The MSCI Europe gained 0.87%, closing at 132.39.
- ✓ **Asian equity market** tracked gains in global markets as investors look ahead towards the start of formal Brexit negotiations. Also notable was Japan's strong export numbers, distracting investors from its first trade deficit since January. The MSCI APxJ gained 0.94%, ending the day at 506.46.
- ✓ **US Treasury yields** rose, echoing hawkish statements from NY Fed President Dudley who cited continued expectations of wage growth. The curve rose 2.36 bps on average, with benchmark 2-year yields rising 4.09 bps to 1.3560.

Foreign Exchange

USD/PHP	Previous Close	49.900
	Close	49.910
EUR/USD	Previous Close	1.1198
	Indicative Rate	1.1191

Foreign Exchange



Key Indicators

YIELDS AND PRICES	19-Jun-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.87	0.19%	0.86%	0.15%	0.20%
1-Year Philippine Treasury Bill Yield (PDST-R2)	3.01	0.20%	0.16%	0.19%	0.64%
ROP2021 (Price)	106.95	0.05	0.14	0.45	(1.41)
ROP2034 (Price)	135.37	(0.04)	0.64	1.93	4.90
3-Month US Treasury Yield	1.00	-0.00%	0.01%	0.10%	0.84%
3-Month German Treasury Bill Yield	(0.86)	-0.01%	0.01%	0.01%	-0.32%
Dubai Crude Oil Spot (\$/bbl)	45.97	0.31%	-2.38%	-11.66%	43.08%
Gold Spot (\$/oz)	1,243.39	-0.82%	-1.78%	-1.00%	17.14%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
6/22/2017	BSP Overnight Borrowing Rate	June	3.0%
7/3/2017	Nikkei Philippines Manufacturing PMI	June	54.3

Developed Markets

Date	Country	Event	Period	Prior
6/21/2017	US	Existing Home Sales MoM	May	-2.3%
6/21/2017	Japan	All Industry Activity Index MoM	Apr	-0.6%
6/23/2017	France	Markit France Manufacturing PMI	June	53.8

Emerging Markets

Date	Country	Event	Period	Prior
6/27/2017	China	Industrial Profits YoY	May	14.0%
7/3/2017	Indonesia	CPI Core YoY	Jun	3.20%
7/3/2017	India	Nikkei India PMI Manufacturing	Jun	51.6

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