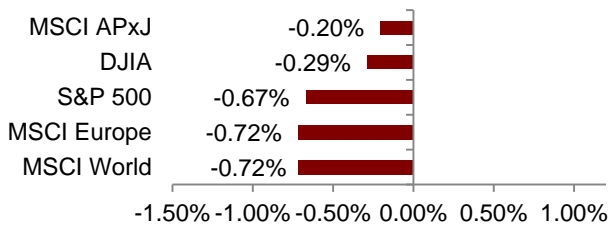


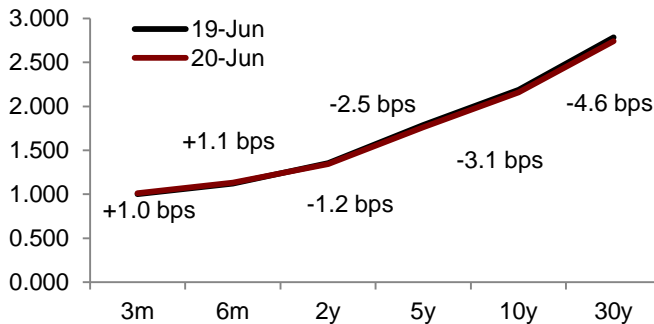
Global equities fell as oil prices hit 9-month lows. Indications that one more rate hike and the promise that the tax reform program will both be done within the year caused US Treasuries to be mixed and the dollar to strengthen.

- ✓ The **local equities market** succumbed to profit-taking and foreign selling following the relief rally yesterday. Only the mining and oil sector was up (+0.22%), while all others ended in the red, led by holding firms (-0.44%). The PSEi lost 0.33%, closing at 7,917.86.
- ✓ In the **local fixed income market**, yields fell in response to NY Fed President William Dudley's hawkish tone on monetary policy. According to Dudley, labor markets continue to tighten which should push inflation higher. The yield curve lost 11.84 bps on average, led by the short end, which fell 21.62 bps.

Global Equities

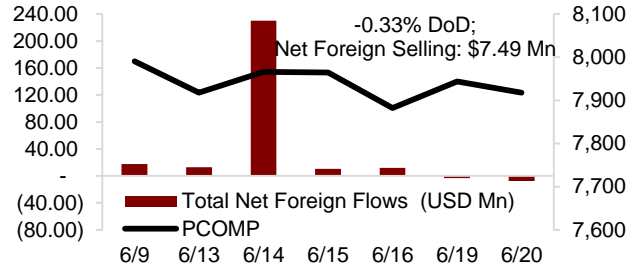


US Treasuries

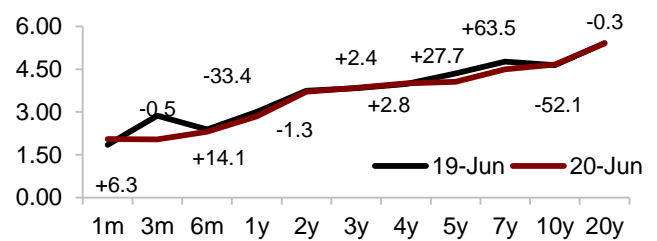


- ✓ The **Philippine peso** breached the 50-to-a-dollar level as investors reacted to the hawkish statements of Fed officials. The USDPHP increased by 0.38%, ending at the 50.100 level.
- ✓ The **US dollar** continued gaining strength after US House Speaker Ryan's statement that the tax reform is "going to get done in 2017". The DXY increased 0.22% to 97.760.

PSEi Snapshot



Local Bond Market Movement

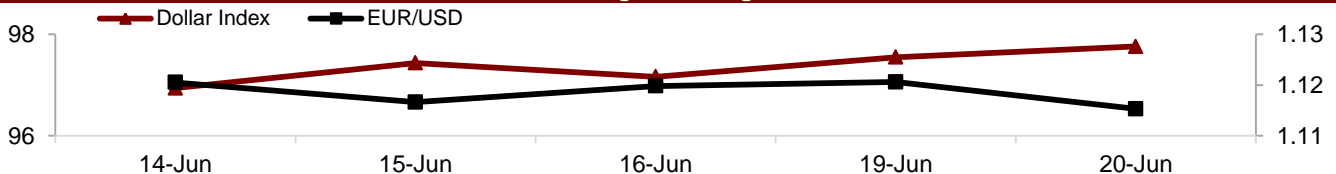


- ✓ **US equities** retreated from its rally after oil prices closed at its lowest level in nine months. The S&P 500 ended at 2,437.03 (-0.67% dod) while the Dow Jones closed at 21,467.14 (-0.29% dod).
- ✓ **European equities** were pulled down by energy-related stocks as oil prices neared bear-market territory. The MSCI Europe closed at 131.44 (-0.72% dod).
- ✓ **Asian equities** closed mostly lower as uncertainty over oil supply persisted. Meanwhile, the Nikkei 225 closed at a 22-month high (+0.81% dod) on the back of the yen's weakness. The MSCI APxJ ended at 505.43 (-0.20% dod).
- ✓ Longer-term **US Treasury yields** declined as Fed officials voiced concerns on sluggish inflation, while the short-term yields increased as speeches confirmed another rate hike within the year. The 10-year yield ended at 2.1565% (-3.1bps) while the 3-month yield was up to 1.0114% (+1.0bps).

Foreign Exchange

USD/PHP	Previous Close	49.910
	Close	50.100
EUR/USD	Previous Close	1.1206
	Indicative Rate	1.1164

Foreign Exchange



Key Indicators

YIELDS AND PRICES	20-Jun-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.04	-0.83%	0.05%	-0.68%	-0.63%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.85	-0.16%	-0.16%	0.02%	0.47%
ROP2021 (Price)	106.91	(0.01)	0.08	0.41	(1.45)
ROP2034 (Price)	135.51	0.13	0.78	2.07	5.04
3-Month US Treasury Yield	1.01	0.01%	0.02%	0.11%	0.85%
3-Month German Treasury Bill Yield	(0.84)	0.02%	0.02%	0.02%	-0.31%
Dubai Crude Oil Spot (\$/bbl)	45.57	-0.87%	-3.49%	-12.43%	41.83%
Gold Spot (\$/oz)	1,242.99	-0.03%	-1.86%	-1.03%	17.11%

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
6/22/2017	US	Initial Jobless Claims	17-Jun	234K
6/23/2017	Japan	Nikkei Japan PMI Mfg	June	53.1
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