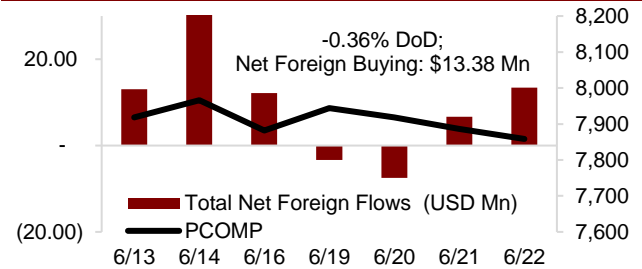


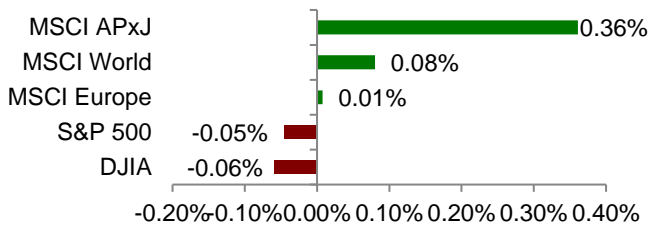
Global equities rose as oil prices rallied, breaking a three-day losing streak. US stocks bucked the trend, falling on the back of weakness in financials and consumer staples. US Treasury yields fell on higher initial jobless claims, while the US dollar gained as the Conference Board's leading economic index rose.

- ✓ **Local stocks** ended lower despite net foreign inflows of USD 13.38m, following overnight losses in US markets on the back of a continuing slump in oil prices. The PSEi lost 0.355% to 7,858.34, led by losses in the property (-0.82%) and industrial (-0.61%) sectors.
- ✓ In the **local fixed income market**, the yield curve steepened ahead of the BSP meeting. On average, yields rose 2.03 bps, with short-term yields gaining 18.99 bps as investor preference shifted to the belly (yield -9.38 bps) and long end of the curve (yield -1.58 bps).

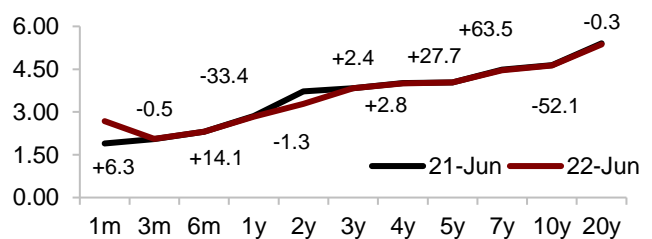
PSEi Snapshot



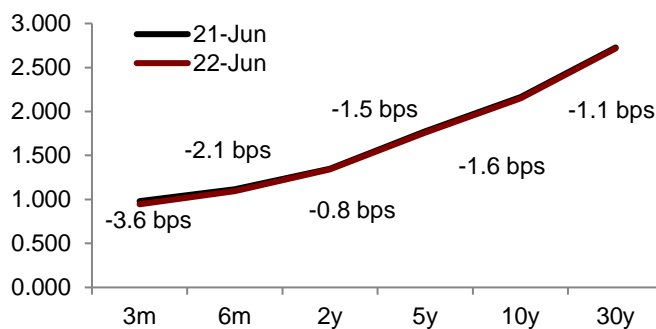
Global Equities



Local Bond Market Movement



US Treasuries



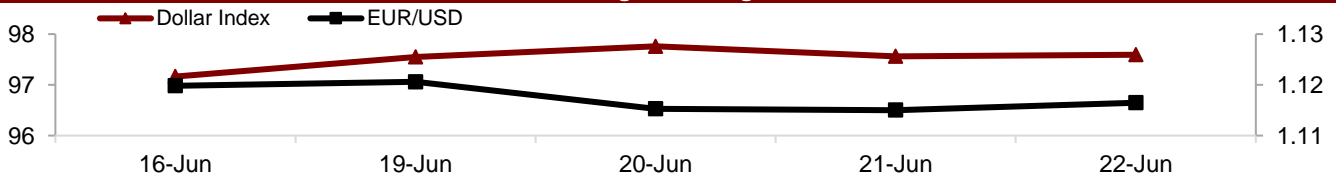
- ✓ **US equity markets** ended lower despite a rally in the healthcare sector (+1.4%), which was buoyed by the release of a draft of the Republican-led replacement for the US Affordable Care Act (Obamacare). The S&P 500 ended at 2,434.50 (-0.05% DoD), with consumer staples (-0.7%) and financials (-0.6%) leading the decline. The DJIA lost 0.06%, ending at 21,397.29.
- ✓ **European stocks** closed slightly higher after a volatile trading session, as gains in oil saw the oil and gas sector trimming losses toward the end of the trading day. The MSCI Europe closed at 131.17 (+0.01 DoD).
- ✓ **Asian equities** trended higher in light of a day-on-day pick up in oil prices after three consecutive declines. WTI and Brent were up 0.49% and 0.89%, respectively. The MSCI APxJ ended at 503.80 (0.36% DoD).
- ✓ **US Treasury yields** slumped as initial jobless claims rose to 241k (estimate: 240k). On average, yields fell 1.77 bps. The 10-year yield ended at 2.148% (-1.57 bps) while the 2-year yield was down to 1.34% (-0.8 bps).

- ✓ The **Philippine peso** weakened for a sixth straight day ahead of the BSP rate decision, hitting three-month lows. The USD/PHP gained 0.11% to 50.345.
- ✓ The **US dollar** strengthened marginally after the Conference Board's leading economic index rose 0.3%, matching estimates for May. The DXY rose 0.03% to 97.593.

Foreign Exchange

Pair	Previous Close	Current Rate
USD/PHP	50.290	50.345
EUR/USD	1.1150	1.1165

Foreign Exchange



Key Indicators

YIELDS AND PRICES	22-Jun-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.06	0.00%	0.11%	-0.20%	-0.61%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.83	-0.02%	0.03%	-0.06%	0.46%
ROP2021 (Price)	106.85	(0.04)	(0.09)	0.37	(1.51)
ROP2034 (Price)	135.24	(0.28)	(0.38)	1.70	4.77
3-Month US Treasury Yield	0.95	-0.04%	-0.06%	0.05%	0.78%
3-Month German Treasury Bill Yield	(0.79)	0.05%	0.07%	0.08%	-0.25%
Dubai Crude Oil Spot (\$/bbl)	43.64	-1.69%	-4.36%	-17.30%	35.82%
Gold Spot (\$/oz)	1,250.45	0.31%	-0.28%	-0.81%	17.81%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
6/23 - 06/30/2017	Budget Balance PHP	May	52.8b
7/3/2017	Nikkei Philippines Manufacturing PMI	June	54.3

Developed Markets

Date	Country	Event	Period	Prior
6/23/2017	US	New Home Sales	May	569k
6/23/2017	France	Markit France Manufacturing PMI	June	53.8
6/30/2017	Japan	Industrial Production MoM (Preliminary)	May	4.0%

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