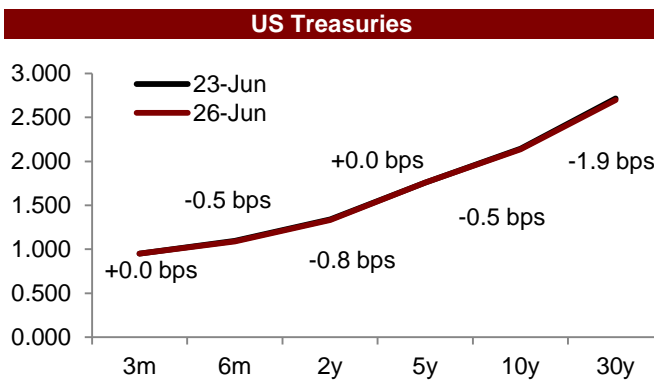
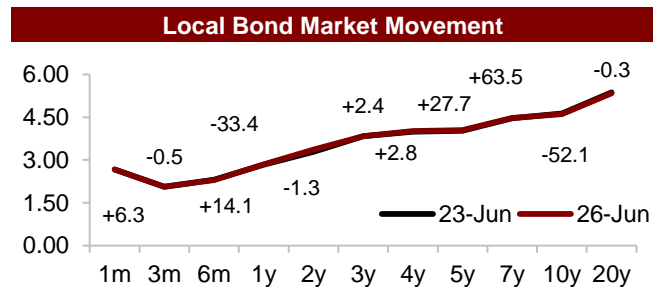
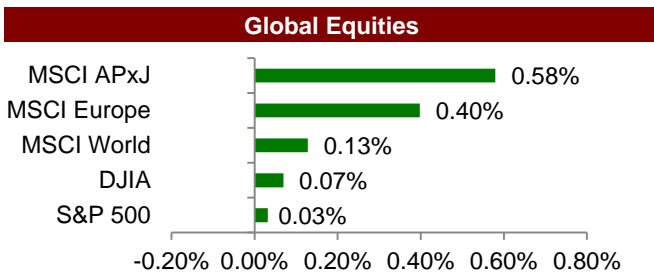
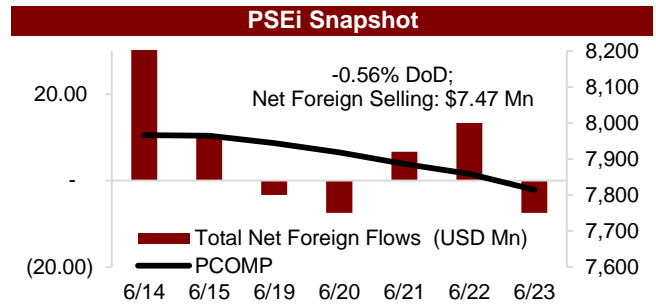


Global equities rose amid stabilizing commodity prices and news in Italy of a bailout for two regional banks. Both US stocks and bonds saw a boost in demand, with the DJIA and S&P500 up, and yields down. The high demand for US securities saw the dollar climb 0.17%.

- ✓ **Local stocks** decreased amid continued weakness in crude oil prices and as investors took profit ahead of the long weekend. The PSEi fell by 0.56%, closing at the 7,814.17 level.
- ✓ In the **local fixed income market**, the yield curve rose following the BSP decision to leave interest rates unchanged. Yields went up by an average of 0.53 bps, led by the belly of the curve which increased by 2.50 bps.

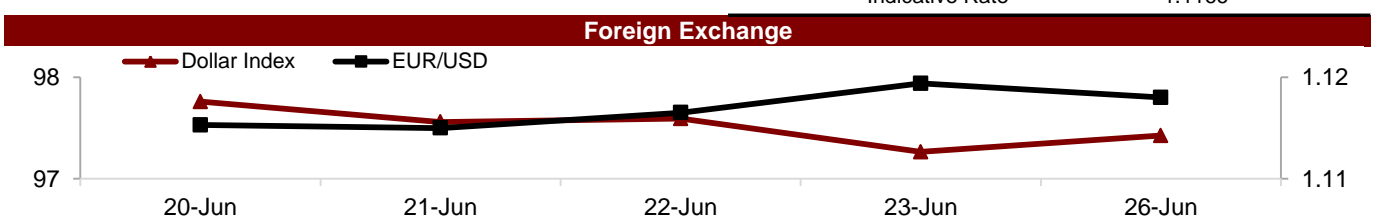


- ✓ **US equities** ended marginally higher after gains in the financial sector offset losses in large-cap technology shares. The Dow Jones closed at 21,409.55 (+0.07% dod) while the S&P 500 closed at 2,439.07 (+0.03% dod).
- ✓ **European equities** closed higher as markets reacted to news on Italy's government agreeing to bailout two regional banks. The MSCI Europe ended at 131.37 (+0.40% dod).
- ✓ **Asian equities** posted gains amid stabilizing commodity prices. Recovering oil prices is lifting Australian shares which have been lagging behind its peers for the past week. The MSCI APxJ was at 507.64 (+0.58% dod).
- ✓ **US Treasury yields** fell as Goldman Sachs revised its 2Q2017 GDP forecast downward by 0.2% (from 2.5% to 2.3%). Bond traders continued to stay bullish, bidding 3.03 times the amount offered during the Treasury's two-year note auction. On average, yields fell 0.62 bps. The 10-year yield ended at 2.137% (-0.53 bps) while the 2-year yield was down to 1.332% (-0.81 bps).

Foreign Exchange

USD/PHP	Previous Close	50.345
	Close	50.220
EUR/USD	Previous Close	1.1152
	Indicative Rate	1.1166

- ✓ The **Philippine peso** strengthened against the dollar after the BSP maintained its policy rates and reduced inflation forecast, raising questions on the likelihood of a third rate hike. The USD/PHP fell 0.25%, ending at 50.22.
- ✓ The **US dollar** strengthened marginally on higher demand for both US stocks and bonds, despite Goldman Sach's downward revision for 2Q2017 GDP growth. The DXY rose 0.17% to 97.426.



Key Indicators

YIELDS AND PRICES	26-Jun-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.07	0.00%	-0.80%	0.12%	-0.60%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.85	0.00%	-0.16%	0.01%	0.48%
ROP2021 (Price)	#N/A	#N/A	#N/A	#N/A	#N/A
ROP2034 (Price)	#N/A	#N/A	#N/A	#N/A	#N/A
3-Month US Treasury Yield	0.96	0.00%	-0.05%	0.03%	0.79%
3-Month German Treasury Bill Yield	(0.82)	0.00%	0.04%	0.01%	-0.28%
Dubai Crude Oil Spot (\$/bbl)	44.15	0.00%	-3.96%	-12.19%	37.41%
Gold Spot (\$/oz)	1,244.73	-0.96%	0.11%	-1.75%	17.27%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
6/30/2017	Bank Lending YoY	May	16.0%
7/3/2017	Nikkei Philippines Manufacturing PMI	June	54.3

Developed Markets

Date	Country	Event	Period	Prior
6/29/2017	US	Initial Jobless Claims	June	241k
6/29/2017	Germany	CPI YoY	June	1.5%
6/30/2017	Japan	Industrial Production MoM (Preliminary)	May	4.0%

Emerging Markets

Date	Country	Event	Period	Prior
6/30/2017	China	Manufacturing PMI	June	51.2
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