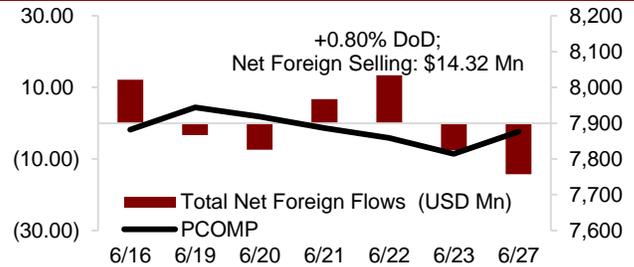


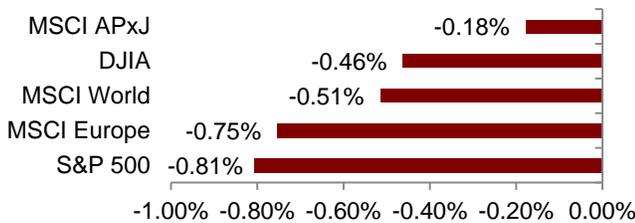
Global equities fell across the board on the back of political instability and a continuing technology sector slump in the US, as well as the EU's strengthening currency. Meanwhile, comments by the ECB about the possible unwinding of their quantitative easing program weakened the US dollar and sparked a sell-off in US Treasuries.

- ✓ **Local stocks** closed higher, shrugging off continuing conflicts in Marawi. The PSEi was up 0.80% to close at 7,876.37.
- ✓ **Yields in the local fixed income market** fell on average, driven by the long end, as the reissuance of 20-year government bonds was well received by the market. It was fully awarded at a yield of 5.035%. Yields declined by 1.21bps on average, led by the 10.61bps fall in the long end. The belly bucked the trend (+3.85bps) while the short end barely moved (-0.48bps).

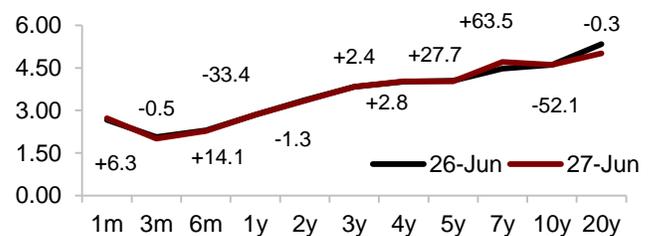
PSEi Snapshot



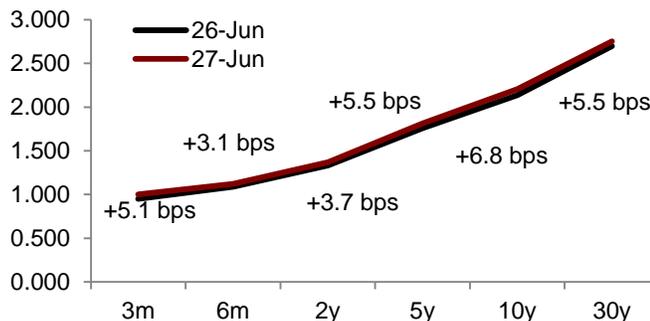
Global Equities



Local Bond Market Movement



US Treasuries



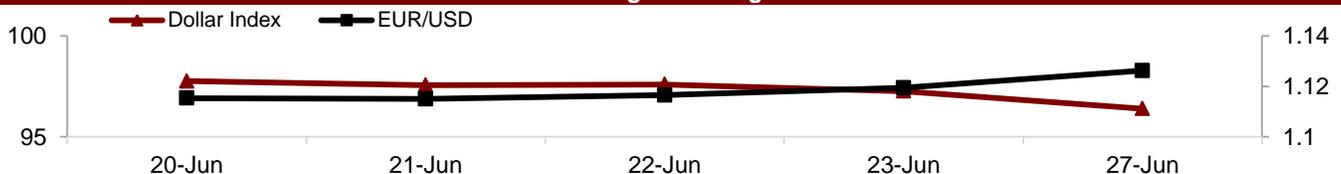
- ✓ **US stocks** declined, as political instability wrought by the Senate's delay of the Republican-led healthcare bill vote compounded increasing weakness in tech shares, which were dragged lower by Google parent Alphabet Inc. after European regulators slapped Google with a USD 2.72b antitrust fine. The S&P 500 ended at 2,419.38 (-0.81% d/d), while the DJIA closed at 21,310.66 (-0.46% d/d).
- ✓ **European equities** fell, as a rising euro, lower profit forecasts (Shaeffler AG), and merger failure concerns (Stada Arzneimittel AG, T-Mobile USU Inc.) weighed on markets. The MSCI Europe lost 0.75% d/d to 130.38.
- ✓ **Asian equities** fell, led by the Indian SENSEX (-0.58% d/d), with losses mainly in financials, and the Hong Kong Hang Seng Index (-0.12% d/d). The MSCI APxJ lost 0.18%, closing at 506.74.
- ✓ **US Treasury yields** rose 4.95 bps on average amid the biggest one-day US Treasury sell-off since January, as comments by the ECB suggesting the possibility of an earlier-than-expected tapering of its bond-buying program triggered a sell-off in the bond market.

- ✓ The **Philippine peso** weakened against the dollar on pressures following the release of the budget deficit last week, and exacerbated by foreign selling in the local equities market. The USD/PHP surrendered 0.14% to end at 52.290.
- ✓ The **US dollar** fell, mainly due to strength in the Euro (+1.4% d/d), after hawkish comments by ECB President Draghi hinted at the possibility that the winding down of Eurozone stimulus may start by the end of this year. By the end of the day, the DXY had tumbled to 96.394 (-0.89% d/d).

Foreign Exchange

Pair	Previous Close	Close
USD/PHP	50.220	50.290
EUR/USD	1.1180	1.1261

Foreign Exchange



Key Indicators

YIELDS AND PRICES	27-Jun-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.01	-0.06%	-0.03%	0.07%	-0.66%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.85	0.00%	0.00%	0.01%	0.48%
ROP2021 (Price)	106.83	(0.04)	(0.08)	0.31	(1.53)
ROP2034 (Price)	135.58	0.23	0.07	2.40	5.12
3-Month US Treasury Yield	1.00	0.05%	-0.01%	0.08%	0.84%
3-Month German Treasury Bill Yield	(0.79)	0.03%	0.05%	0.04%	-0.25%
Dubai Crude Oil Spot (\$/bbl)	45.06	2.06%	-1.12%	-10.38%	40.24%
Gold Spot (\$/oz)	1,247.13	0.19%	0.33%	-1.56%	17.50%

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