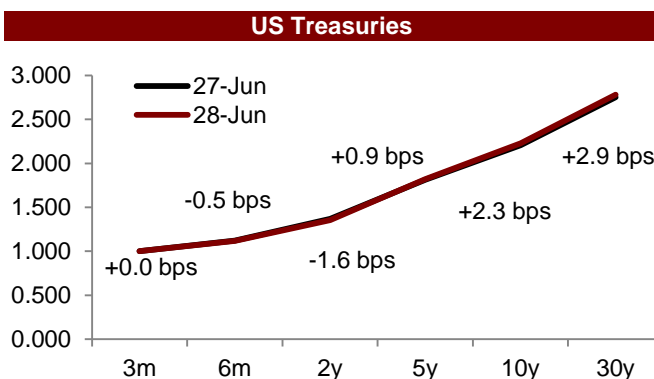
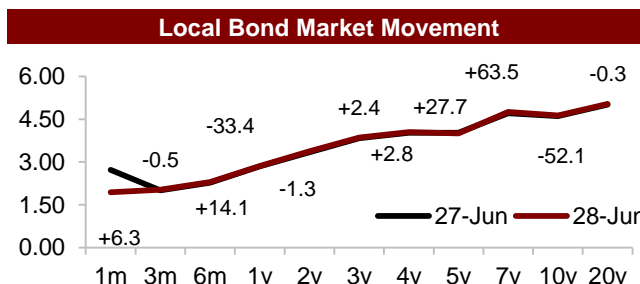
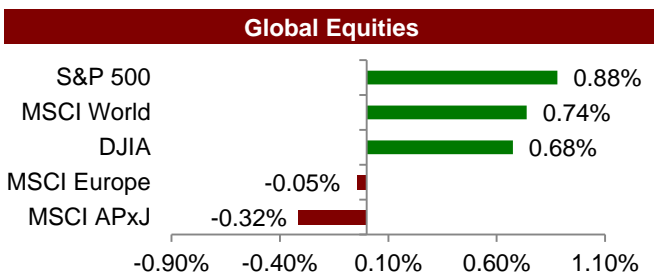
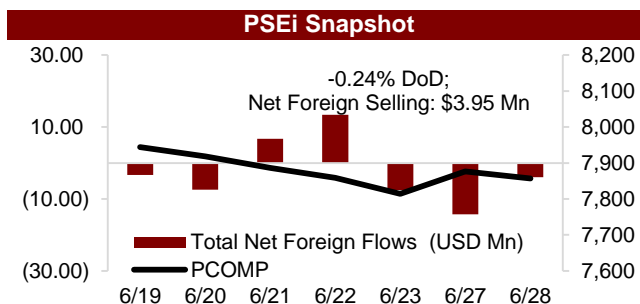


Global equities ended higher, led by strength in the US despite weak economic results, but pulled back by Asia and Europe following the ECB's hawkish comments. US yields showed a slight upward movement as investors shifted to equities. In the meantime, the dollar continued to decline on the back of delays in healthcare reform.

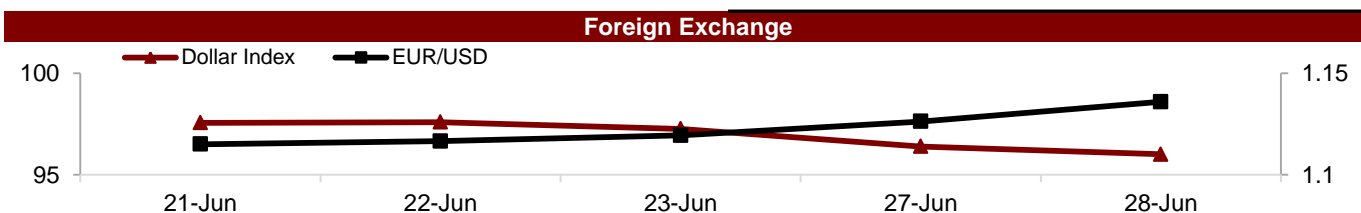
- ✓ **Local stocks** fell on the third straight trading day of net foreign equity outflows (USD 3.94m), tracking weakness in US stock markets, which were dragged down by tech shares, and as oil prices snapped recent winning streaks. The PSEi was down 0.24%, closing at 7,857.18.
- ✓ **Local fixed income yields** fell due to the sharp decline of the short-end of the curve (-18.36 bps). This movement dragged down the average (-4.80 bps) despite the upward movement of the rest of the curve, mirroring the movement overseas from hawkish statements from the ECB. The belly was up 2.30 bps and the long-end 1.44 bps.



- ✓ **US stocks** rallied, led by financials and partially supported by a decline in expected volatility (VIX fell 9.31% to close at 10.03). Investors largely ignored weak economic print (mortgage applications, pending home sales). The S&P 500 ended at 2,440.69 (+0.88% DoD), while the DJIA closed at 21,454.61 (+0.68% DoD).
- ✓ **European equities** traded sideways amid a dearth of financial information. Notable movement was in Dutch bank ABN Amro Group NV, down 1.9% after the Dutch government cut its ownership from 70% to 63%. The MSCI Europe lost 0.05% DoD to 130.32.
- ✓ **Asian equities** fell as China's Shanghai Composite Index retreated from two-month highs, after Premier Li Keqiang commented on the difficulty of maintaining medium to long-term growth. The MSCI APxJ fell 0.32% to 505.13.
- ✓ **US Treasury yields** were flat with an upward bias as economic print continues to disappoint investors (e.g. mortgage applications down 6.2%, and pending home sales down 1.7% YoY). Yields rose 0.67 bps on average, with the 10YR closing at 2.28%.

Foreign Exchange

USD/PHP	Previous Close	50.290
	Close	50.500
EUR/USD	Previous Close	1.1262
	Indicative Rate	1.1376



Key Indicators

YIELDS AND PRICES	28-Jun-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.02	0.01%	-0.03%	0.08%	-0.64%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.86	0.01%	0.00%	0.02%	0.49%
ROP2021 (Price)	106.66	(0.17)	(0.23)	0.13	(1.70)
ROP2034 (Price)	135.02	(0.56)	(0.50)	1.83	4.55
3-Month US Treasury Yield	1.00	0.00%	0.02%	0.08%	0.84%
3-Month German Treasury Bill Yield	(0.81)	-0.01%	0.03%	0.02%	-0.27%
Dubai Crude Oil Spot (\$/bbl)	45.38	0.71%	2.23%	-9.75%	41.24%
Gold Spot (\$/oz)	1,249.25	0.17%	0.22%	-1.39%	17.70%

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	3.2%
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