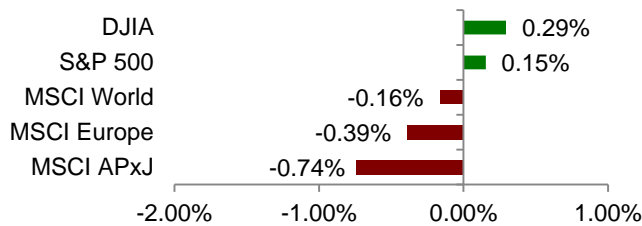


July 3, 2017

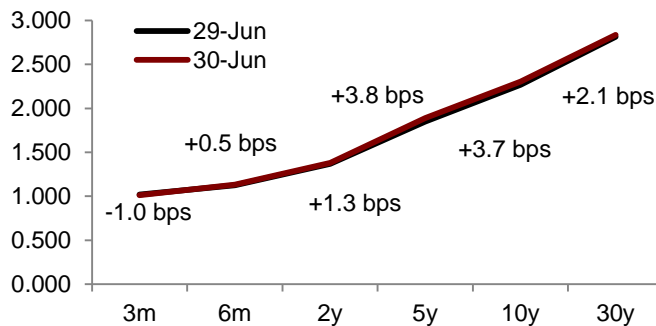
Global equities ended mixed following weaker-than-anticipated economic data from Europe and the US. Consumer prices fell short of expectations in both regions, with the US PCE Inflation closing at its lowest pace in six months. Meanwhile, US Treasury yields rose while the dollar ended unchanged as market players moved ahead of a data-heavy week and release of the June FOMC minutes on Wednesday.

- ✓ **Local stocks** closed higher on the back of net foreign buying worth Php1 billion, and bargain hunting from investors. The PSEi gained 0.71%, ending at 7,843.16.
- ✓ **Local fixed income yields** continued to rise, mirroring the movements overseas. On average, yields rose 13.59 bps, led by the belly (+19.74bps). The short-end rose 14.52 bps, while the long-end increased the least (+2.10 bps).

Global Equities

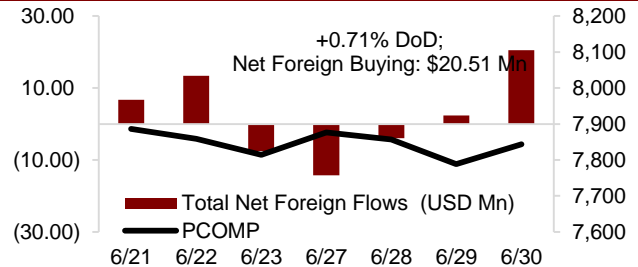


US Treasuries

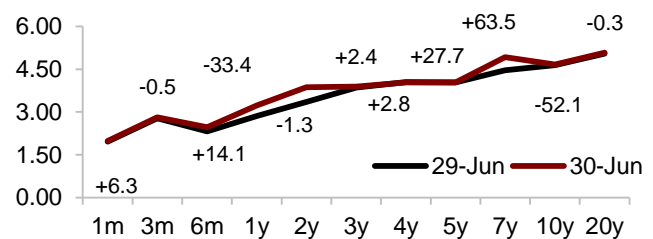


- ✓ The **Philippine peso** strengthened amid the release of multiple economic data and having benefitted from the weakness in US dollar. The USD/PHP pair fell 0.12% to 50.470.
- ✓ The **US dollar** ended unchanged as market players digested mixed economic data releases and a slew of current events globally. The coming week will be a packed week with the following US economic data releases and events: manufacturing data (Monday), release of the June FOMC minutes (Wednesday) and non-farm payrolls (Friday). The DXY closed at 95.628.

PSEi Snapshot



Local Bond Market Movement

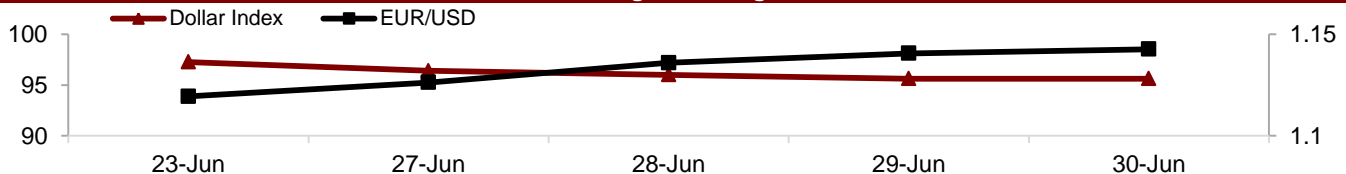


- ✓ **US stocks** rose on Friday as market players took the opportunity to bargain hunt ahead of the long weekend. The S&P 500 ended at 2,423.41 (+0.15% DoD), while the DJIA closed at 21,349.63 (+0.29% DoD).
- ✓ **European equities** continued to fall amid jitters over tightening monetary conditions, due to comments given by members of the ECB. The MSCI Europe lost 0.39% DoD to 128.08.
- ✓ **Asian equities** moved in response to fluctuations in the Japanese yen ahead of the Japanese elections-- with Prime Minister Abe's party is set to win the fewest seats in the Tokyo assembly. The MSCI APxJ declined by 0.74% to 504.95.
- ✓ **US Treasuries** slumped following the weaker-than-anticipated economic data releases. Consumer spending rose by a marginal 0.1% in May while the PCE hit its lowest level in six months. Yields rose 1.73 bps on average, with the 10YR closing at 2.304%.

Foreign Exchange

USD/PHP	Previous Close	50.530
	Close	50.470
EUR/USD	Previous Close	1.1406
	Indicative Rate	1.1402

Foreign Exchange



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Key Indicators

YIELDS AND PRICES	30-Jun-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.81	0.04%	0.75%	0.91%	0.15%
1-Year Philippine Treasury Bill Yield (PDST-R2)	3.23	0.37%	0.38%	0.39%	0.85%
ROP2021 (Price)	106.50	(0.18)	(0.29)	0.01	(1.86)
ROP2034 (Price)	134.21	(0.50)	(1.06)	0.98	3.74
3-Month US Treasury Yield	1.01	-0.01%	0.06%	0.08%	0.85%
3-Month German Treasury Bill Yield	(0.82)	0.01%	-0.01%	0.03%	-0.28%
Dubai Crude Oil Spot (\$/bbl)	46.60	0.54%	5.55%	-7.47%	45.04%
Gold Spot (\$/oz)	1,241.55	-0.32%	-1.21%	-1.71%	16.97%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
7/5/2017	CPI YoY	June	3.1%
7/5/2017	CPI NSA MoM	June	0.1%

Developed Markets

Date	Country	Event	Period	Prior
7/4/2017	Japan	Monetary Base YoY	June	19.4%
7/3/2017	US	ISM Manufacturing	June	54.9
7/5/2017	Germany	Germany Manufacturing PMI	June	59.3

Emerging Markets

Date	Country	Event	Period	Prior
7/3/2017	China	Caixin China PMI Mfg	June	49.6
7/7/2017	Indonesia	Foreign Reserves	Jun	\$124.95bn
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