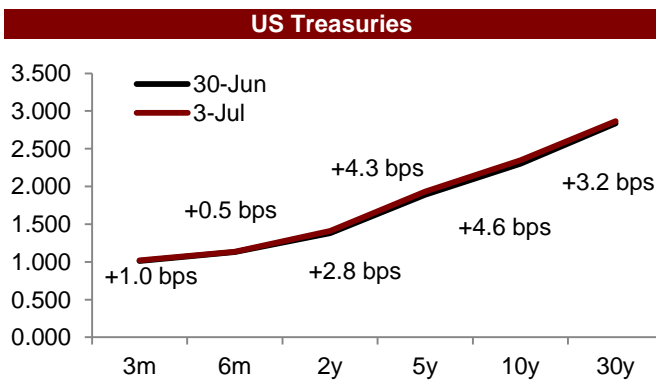
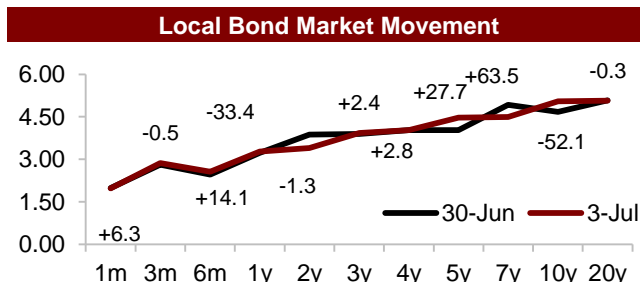
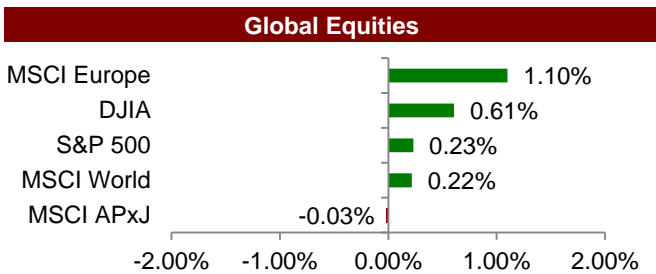
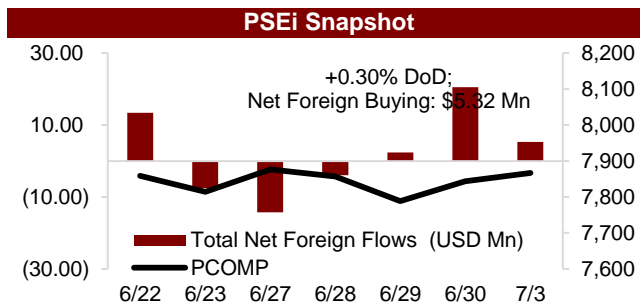


Global equities advanced amid renewed optimism buoyed by better-than-expected manufacturing data from the U.S. and China. Additionally, WTI and Brent Crude increased 2.06% and 1.6%, respectively, lifting energy shares globally. Meanwhile, the US dollar and US Treasury yields rose ahead of the release of the June FOMC meeting minutes on Wednesday.

- ✓ **Local stocks** closed marginally higher as it tracked movements globally following the better-than-expected China manufacturing PMI print. The PSEi gained 0.298%, ending at 7,866.52.
- ✓ **Local fixed income yields** rose on average (0.99 bps) tracking movements in the global bond market. Note that the US 10 year rose to 2.31% after US 1Q 2017 GDP growth was revised upward from prior estimate of 1.2% to 1.4%. The long end rose by 12 bps (average).

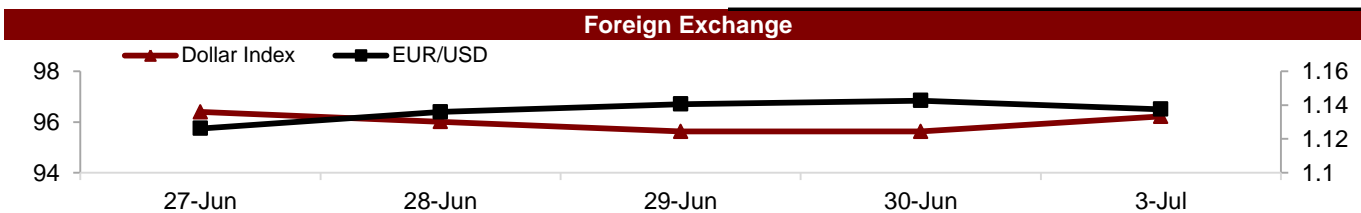


- ✓ **US stocks** rose, lifted by the banking and energy sector, amid optimism over the relatively strong manufacturing data in June. The S&P 500 ended at 2,429.01 (+0.23% DoD), while the DJIA closed at 21,479.27 (+0.61% DoD).
- ✓ **European equities** rallied following the upbeat manufacturing PMI figure from China and a sustained rally in oil prices. Meanwhile, banks rose on the prospect of higher interest rates following hawkish comments from members of the ECB. The MSCI Europe increased by 1.10% DoD to 129.49.
- ✓ **Asian equities** ended mixed, as gains from the oil rally were pared by weakness in the tech sector. The MSCI APxJ declined by 0.03% to 504.81.
- ✓ **US Treasuries yields** moved up amid growing anticipation of a hawkish read on the June FOMC meeting minutes (to be released on Wednesday). Yields rose 2.75 bps, on average, with the 10YR closing at 2.350%.

- ✓ The **Philippine peso** strengthened following a positive start for the newly minted BSP Governor. On his first day, the Governor proclaimed his fiscal stance, which centered around monetary policy easing and a firm enforcement of AMLA. The USD/PHP pair gained 0.15% to 50.545.
- ✓ The **US dollar** advanced on the back of an upbeat reading of the ISM Manufacturing index, as it rose to 57.8, the highest in 2 years and well above consensus estimates of 55.3. The DXY advanced by 0.62% to close at 96.218.

Foreign Exchange

USD/PHP	Previous Close	50.470
	Close	50.545
EUR/USD	Previous Close	1.1426
	Indicative Rate	1.1380



Key Indicators

YIELDS AND PRICES	3-Jul-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.86	0.05%	0.80%	0.42%	0.20%
1-Year Philippine Treasury Bill Yield (PDST-R2)	3.27	0.05%	0.43%	0.43%	0.90%
ROP2021 (Price)	106.22	(0.28)	(0.65)	(0.36)	(2.14)
ROP2034 (Price)	133.68	(0.54)	(1.68)	(0.72)	3.21
3-Month US Treasury Yield	1.02	0.01%	0.07%	0.05%	0.86%
3-Month German Treasury Bill Yield	(0.79)	0.03%	0.03%	0.02%	-0.25%
Dubai Crude Oil Spot (\$/bbl)	47.59	2.12%	7.79%	-0.56%	48.12%
Gold Spot (\$/oz)	1,220.13	-1.73%	-1.98%	-4.62%	14.95%

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
7/5/2017	Japan	Nikke Japan PMI Composite	June	53.4
7/6/2017	US	FOMC Meeting Minutes	14-Jun	
7/5/2017	Germany	Germany Manufacturing PMI	June	59.3

Emerging Markets

Date	Country	Event	Period	Prior
7/5/2017	China	Caixin China PMI Composite	June	51.5
7/7/2017	Indonesia	Foreign Reserves	Jun	\$124.95bn
7/5/2017	Thailand	BoT Benchmark Interest Rate	5-Jul	1.5%

Sources: BPI, Business World, PDI, Phil Star, Manila Bulletin, Reuters, Briefing, Bloomberg, CNN, Dow Jones, The Wall Street Journal, CNBC