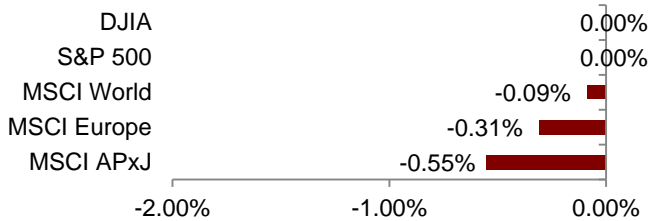


Global equities fell amid geopolitical tensions brought about by North Korea's successful missile launch. Investors' increased concerns over North Korea's nuclear capabilities sparked a momentary flight to safe haven assets such as gold. Additionally, markets traded on thin volumes as the U.S. market was closed for the Independence Day holiday.

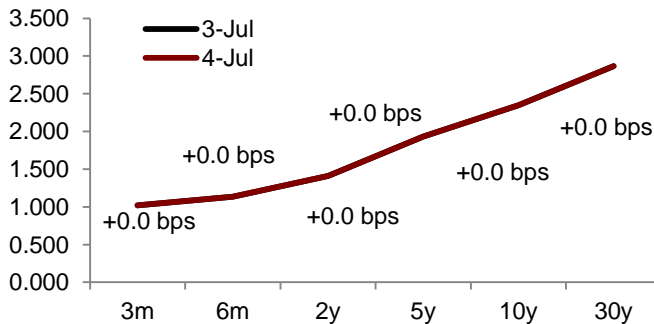
✓ **Local stocks** went down as North Korea's successful missile launch test towards Japanese waters caused jitters across regional markets. The PSEi lost 0.414%, closing at 7,833.96.

✓ **Local fixed income yields** fell due to increased geopolitical risk following the successful launch of North Korea's long-range missile. On average, yields fell by 3.23 bps, led by the short end (-9.25 bps) and followed by the long end (-1.52 bps). Meanwhile, the belly gained 0.57 bps.

Global Equities

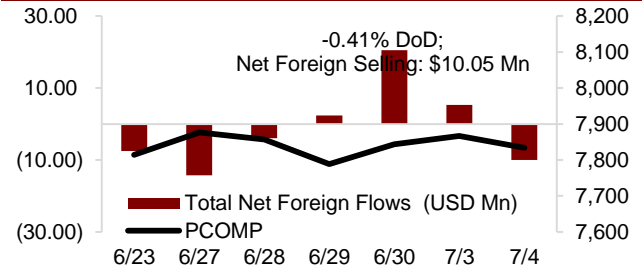


US Treasuries

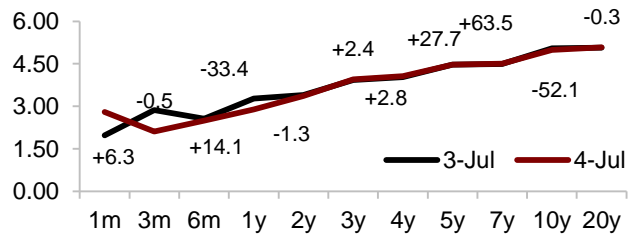


- ✓ The **Philippine peso** traded flat with a slight strengthening bias vis-a-vis the USD as data on the Philippine government's outstanding debt for May fell to Php6.345 trillion from Php6.370 trillion in April. The PHP gained 0.05% against the USD, closing at 50.520.
- ✓ The **US dollar** was unchanged in light of the U.S. Independence Day holiday. The DXY closed at 96.218.

PSEi Snapshot



Local Bond Market Movement

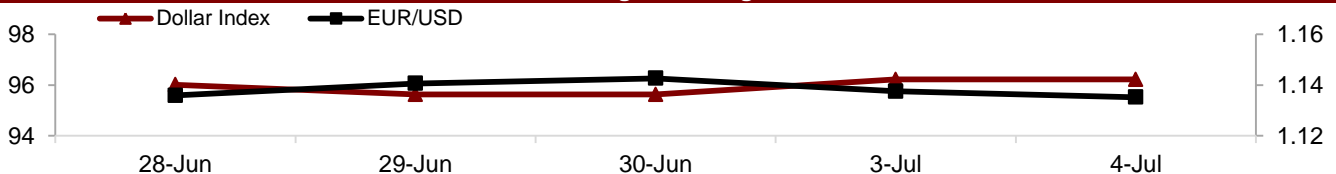


- ✓ **US stocks** remain unchanged, as the U.S. markets were closed in observance of the Independence Day holiday.
- ✓ **European equities** fell on thin trading volume, as U.S. markets were closed for the day. Concerns arose over North Korea's missile launch, on the back of a great possibility that the U.S. and other countries could be hit by the next missile. The MSCI Europe fell by 0.31% DoD to 129.09.
- ✓ **Asian equities** closed lower, due to growing geopolitical tensions over North Korea's successful missile launch that landed in Japanese waters. The MSCI APxJ declined by 0.55% to 502.03.
- ✓ **US Treasuries yields** had no movements as U.S. markets were closed for the Independence Day holiday.

Foreign Exchange

USD/PHP	Previous Close	50.545
	Close	50.520
EUR/USD	Previous Close	1.1375
	Indicative Rate	1.1345

Foreign Exchange



Key Indicators

YIELDS AND PRICES	4-Jul-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.12	-0.75%	0.11%	-0.32%	-0.55%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.89	-0.38%	0.04%	0.05%	0.52%
ROP2021 (Price)	106.24	0.02	(0.59)	(0.33)	(2.12)
ROP2034 (Price)	133.56	(0.11)	(2.02)	(0.83)	3.09
3-Month US Treasury Yield	1.02	0.00%	0.02%	0.05%	0.86%
3-Month German Treasury Bill Yield	(0.71)	0.08%	0.08%	0.10%	-0.17%
Dubai Crude Oil Spot (\$/bbl)	48.26	1.41%	7.10%	0.84%	50.20%
Gold Spot (\$/oz)	1,224.10	0.33%	-1.85%	-4.31%	15.33%

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