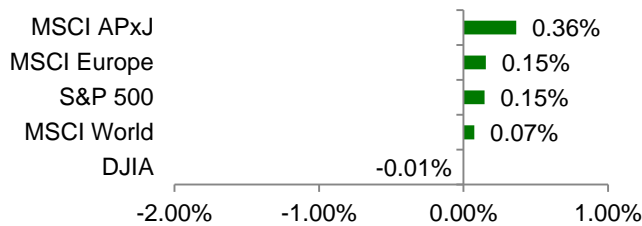


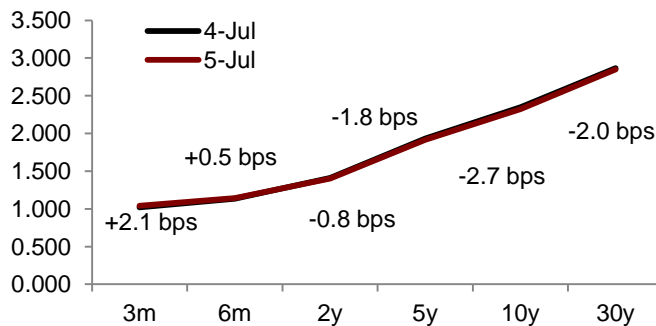
Global equities broadly gained despite heightened geopolitical tensions between the US and North Korea. Key economic data releases for the day were Eurozone retail sales data and the US factory orders. Meanwhile, US Treasuries yields fell following the release of the June FOMC meeting minutes.

- ✓ **Local stocks** bounced back as investors went bargain-hunting given the prior decline in equity prices. However, risk-off sentiment from North Korea's successful missile launch test capped the rally. The PSEi added 0.19%, closing at 7,848.84.
- ✓ **Local fixed income yields** rose on average as market players remained defensive ahead of the release of the Fed meeting minutes. Yields rose by an average of 6.8 bps.

Global Equities

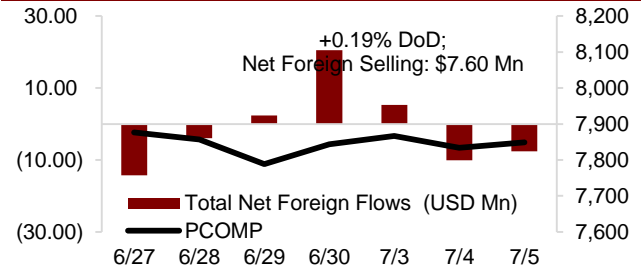


US Treasuries

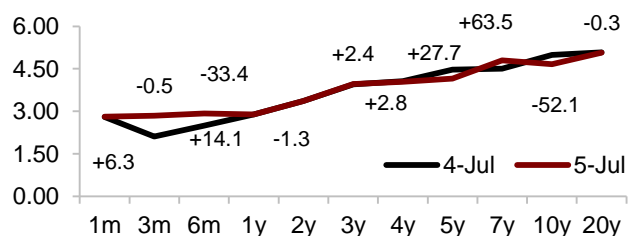


- ✓ The **Philippine peso** weakened against the US dollar after foreign investors were net sellers in the local EQ market. More so, some market players took some US dollar positions ahead of the release of the Fed meeting minutes. The USDPHP pair closed at 50.600.
- ✓ The **US dollar** strengthened despite US factory orders falling below expectations in May. The figure declined by 0.8%, below consensus expectations of -0.5%. The DXY increased by .07%, closing at 96.29.

PSEi Snapshot



Local Bond Market Movement

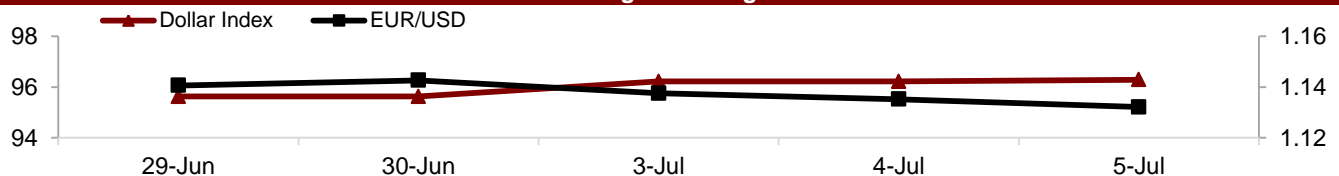


- ✓ **US stocks** were mixed as market players took the opportunity to pick up laggards following the Independence day holiday yesterday. The S&P 500 climbed 0.15% to 2,432.54, while the DJIA slipped 0.01% to 21,478.17.
- ✓ **European equities** closed marginally higher as Eurozone retail sales for the month of May came in better-than-expected at 2.6% yoy (mkt. est. 2.3% yoy). The MSCI Europe rose by 0.15% day-on-day to 129.30.
- ✓ **Asian equities** tracked movements globally despite tensions arising from North Korea's missile tests. The MSCI APxJ increased by 0.36% to 503.86.
- ✓ **US Treasuries yields** moved sideways as market players read the Fed meeting minutes with a veil of uncertainty, given mixed comments from key Federal reserve officials with respect to the timing of the Fed's balance sheet unwinding. On average, yields slipped 0.78 bps with the 10-year closing at 2.323%.

Foreign Exchange

USD/PHP	Previous Close	50.520
	Close	50.600
EUR/USD	Previous Close	1.1352
	Indicative Rate	1.1343

Foreign Exchange



Key Indicators

YIELDS AND PRICES	5-Jul-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.85	0.73%	0.83%	0.18%	0.18%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.90	0.00%	0.04%	0.03%	0.52%
ROP2021 (Price)	106.20	0.04	(0.46)	(0.55)	(2.16)
ROP2034 (Price)	133.52	(0.02)	(1.50)	(1.22)	3.05
3-Month US Treasury Yield	1.04	0.02%	0.04%	0.07%	0.88%
3-Month German Treasury Bill Yield	(0.80)	0.03%	0.01%	0.02%	-0.26%
Dubai Crude Oil Spot (\$/bbl)	47.85	-0.85%	5.44%	-1.62%	48.93%
Gold Spot (\$/oz)	1,226.98	0.30%	-1.78%	-4.11%	15.60%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
7/7/2017	Foreign Reserves	June	\$82.1bn
7/11/2017	Trade Balance	May	(\$2052mn)

Developed Markets

Date	Country	Event	Period	Prior
7/10/2017	Japan	Machine Orders MoM	May	-3.1%
7/6/2017	US	Initial Jobless Claims	July	244k
7/12/2017	Europe	Industrial Production SA MoM	May	0.5%

Emerging Markets

Date	Country	Event	Period	Prior
7/10/2017	China	CPI YoY	June	1.50%
7/7/2017	Indonesia	Foreign Reserves	Jun	\$124.95bn
7/12/2017	Thailand	Industrial Production YoY	May	3.10%

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