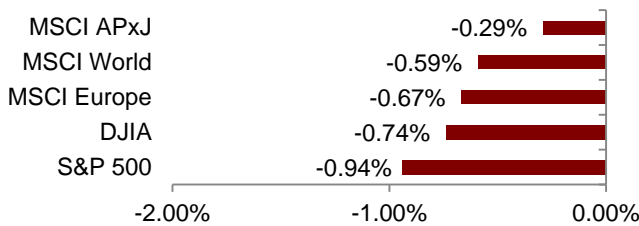


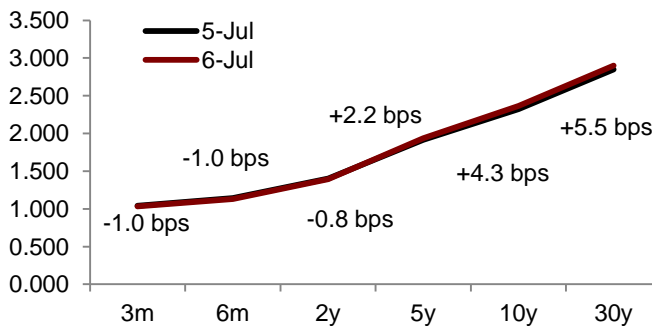
Global equities closed lower and US Treasuries yields rose following the hawkish stance of both the Federal Reserve and the European Central Bank on monetary policy despite weak inflation and wage growth prints. Meanwhile, the US dollar declined following the release of weak US economic data on private sector jobs.

- ✓ **Local stocks** advanced despite escalating tensions between the US and North Korea. The strong infrastructure spending figure somehow lifted sentiment towards the local bourse. The PSEi added 0.50%, closing at 7,888.31.
- ✓ **Local fixed income** yields rose on average as investors reacted to the Fed's hawkish stance despite a weak US inflation print. Yields rose by an average of 6.3 bps.

Global Equities

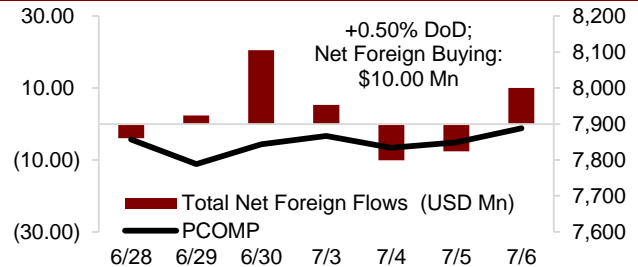


US Treasuries

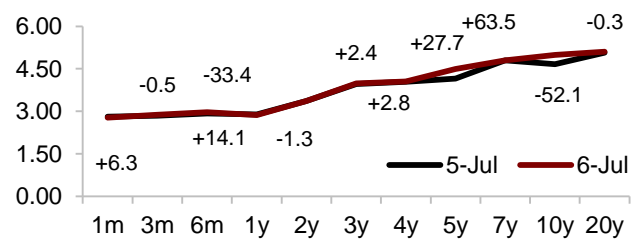


- ✓ **The Philippine peso** edged lower, tracking movements of other emerging Asian currencies, as risk taking slightly ebbed after the release of the FOMC meeting minutes. The USDPHP weakened by 0.14%, closing at 50.67.
- ✓ The **US dollar** weakened due to the lower-than-expected data on U.S private sector jobs, with only 158,000 new jobs created, compared to consensus of 185,000 (which was revised from an initial 253,000 count). The DXY decreased by 0.51%, closing at 95.802.

PSEi Snapshot



Local Bond Market Movement

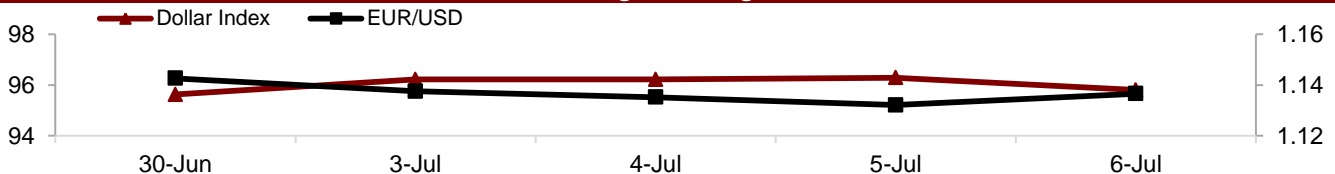


- ✓ **US equities** declined amid growing geopolitical tensions between the U.S. and North Korea, which will be discussed in the upcoming G20 summit in Germany. Investors also turned defensive amidst Fed's hawkish policy stance despite the weak inflation print. The S&P 500 went down by 0.94% to 2,409.75, while the DJIA fell by 0.74% to 21,320.04.
- ✓ **European equities** closed marginally lower over concerns that the region might be exiting the era of loose monetary policy. The MSCI Europe closed lower by 0.67% day-on-day to 128.44.
- ✓ **Asian equities** edged lower, mirroring the sell-off in global equities space following the release of the Fed meeting minutes. The MSCI APxJ decreased by 0.29% to 502.40.
- ✓ **US Treasuries yields** rose over Fed's hawkish stance on monetary policy. On average, yields climbed by 1.51 bps with the 10-year closing at 2.366% (+4.3 bps).

Foreign Exchange

USD/PHP	Previous Close	50.600
	Close	50.670
EUR/USD	Previous Close	1.1321
	Indicative Rate	1.1347

Foreign Exchange



Key Indicators

YIELDS AND PRICES	6-Jul-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.88	0.03%	0.10%	0.87%	0.21%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.87	-0.03%	0.02%	0.03%	0.50%
ROP2021 (Price)	106.20	(0.00)	(0.48)	(0.62)	(2.16)
ROP2034 (Price)	133.42	(0.10)	(1.29)	(1.58)	2.95
3-Month US Treasury Yield	1.03	-0.01%	0.01%	0.06%	0.87%
3-Month German Treasury Bill Yield	(0.81)	-0.01%	0.02%	-0.02%	-0.27%
Dubai Crude Oil Spot (\$/bbl)	47.04	-1.69%	1.49%	-1.57%	46.41%
Gold Spot (\$/oz)	1,225.27	-0.14%	-1.63%	-5.32%	15.44%

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%
7/7/2017	US	Change in Nonfarm Payrolls	Jun	138k
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