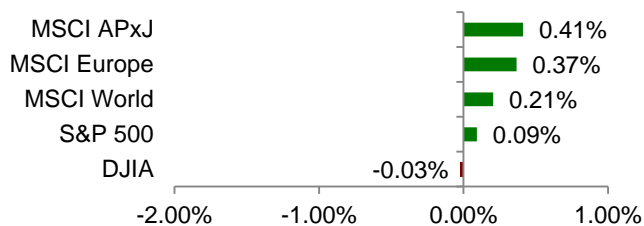


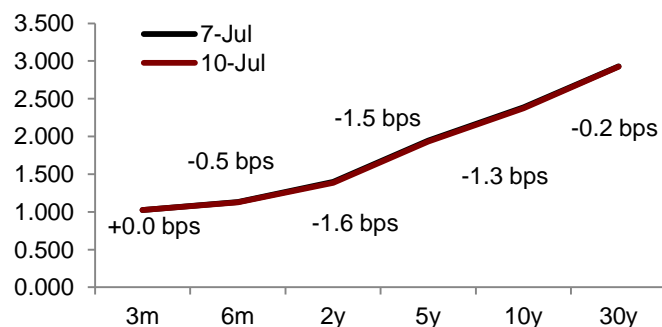
Most global equities and the U.S dollar ended marginally higher on the back of expectations for a solid second quarter earnings season and positive economic data releases such as robust German exports and strong U.S. consumer credit growth. U.S. Treasury yields ended lower as investors took caution ahead of Federal Reserve Chair Yellen's speech on Wednesday.

- ✓ **The local equities market** slid marginally led by the services sector (-1.02%), holding firms (-0.80%) and Industrials (-0.64%). The PSEi slipped by 0.66%, closing at 7,837.47.
- ✓ **Local fixed income market** yields rose amid expectations of heightened government spending in 2017. Government disbursements in May registered 20.4% YoY growth, prompted by spending in infrastructure developments and capital expenditures. On average yields ascended 5.58 bps, led by the long-end of the curve which jolted 11.90 bps.

Global Equities

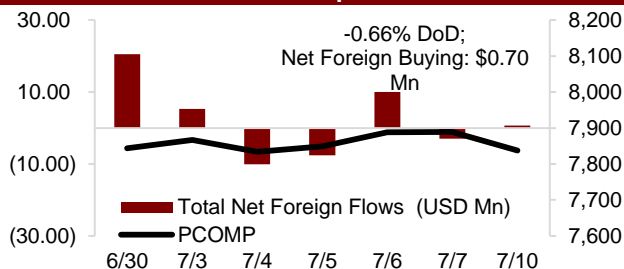


US Treasuries

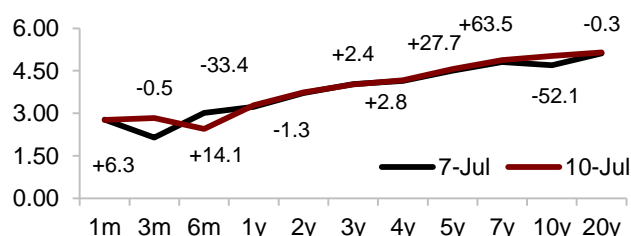


- ✓ **The Philippine peso** weakened nearing its 11 year low ahead of Federal Reserve Governor Janet Yellen's speech on Wednesday. The higher-than-expected Non-Farm Payroll (NFP) print boosted expectations of persistently hawkish Fed. The peso depreciated by 0.23%, closing at 50.70.
- ✓ **The US dollar** appreciated on the back of growth in consumer credit, which expanded at a seasonally adjusted annual growth rate of 5.8%, to \$18.4bn (compared to consensus at \$13.5bn). The DXY inclined 0.01%, closing at 96.022.

PSEi Snapshot



Local Bond Market Movement

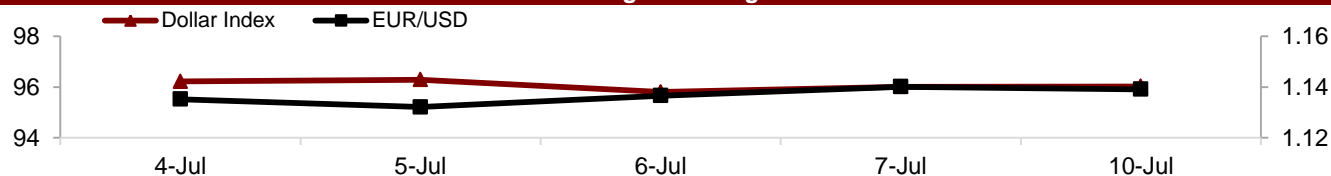


- ✓ **US equities** were mixed ahead of expectations for a strong second quarter earnings season and Federal Reserve Chair Yellen's speech regarding the timing of the Fed's balance sheet reduction on Wednesday (US time). The S&P 500 was up 0.09% to 2,427.52, while the DJIA fell by 0.03% to 21,408.52.
- ✓ **European equities** ended marginally higher as German equities soared following the release of economic data showing that exports grew by 14.1% in May, with majority of demand coming from outside the European Union. The MSCI Europe closed higher by 0.37% day-on-day to 128.81.
- ✓ **Asian equities** mirrored the S&P 500 and Nasdaq, ahead of the positive sentiment in the U.S. bourse in advance of the second quarter earnings season. The MSCI APxJ rose by 0.41% to 502.54.
- ✓ **US Treasuries yields** marginally declined as investors took caution ahead of Fed chair Yellen's speech. On average, yields decreased by 0.85 bps with the 10-year closing at 2.373% (-1.26 bps).

Foreign Exchange

| | | |
|---------|-----------------|--------|
| USD/PHP | Previous Close | 50.580 |
| | Close | 50.695 |
| EUR/USD | Previous Close | 1.1401 |
| | Indicative Rate | 1.1393 |

Foreign Exchange



Key Indicators

| YIELDS AND PRICES | 10-Jul-17 | DoD | WoW | MoM | YTD |
|---|-----------|--------|--------|--------|--------|
| 91-Day Philippine Treasury Bill Yield (PDST-R2) | 2.84 | 0.69% | -0.02% | 0.83% | 0.17% |
| 1-Year Philippine Treasury Bill Yield (PDST-R2) | 3.29 | 0.06% | 0.01% | 0.44% | 0.91% |
| ROP2021 (Price) | 106.15 | 0.03 | (0.06) | (0.66) | (2.21) |
| ROP2034 (Price) | 132.62 | 0.26 | (1.06) | (2.15) | 2.15 |
| 3-Month US Treasury Yield | 1.03 | 0.00% | 0.01% | 0.03% | 0.86% |
| 3-Month German Treasury Bill Yield | (0.65) | 0.16% | 0.14% | 0.15% | -0.14% |
| Dubai Crude Oil Spot (\$/bbl) | 44.97 | -1.60% | -5.51% | -2.22% | 39.96% |
| Gold Spot (\$/oz) | 1,214.42 | 0.10% | -0.47% | -4.12% | 14.41% |

Upcoming Economic Releases

Philippines

| Date | Event | Period | Prior |
|-----------|---------------|--------|-------------|
| 7/11/2017 | Exports YoY | May | 12.1% |
| 7/11/2017 | Trade Balance | May | (\$2,052mn) |

Developed Markets

| Date | Country | Event | Period | Prior |
|-----------|---------|------------------------------|--------|-------|
| 7/12/2017 | Japan | PPI YoY | Jun | 2.1% |
| 7/11/2017 | US | Wholesale Inventories MoM | May | 0.3% |
| 7/12/2017 | Europe | Industrial Production SA MoM | May | 0.5% |

Emerging Markets

| Date | Country | Event | Period | Prior |
|-----------|-----------|---------------------------|--------|---------|
| 7/13/2017 | China | Exports YoY | June | 8.7% |
| 7/17/2017 | Indonesia | Trade Balance | June | \$474mn |
| 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