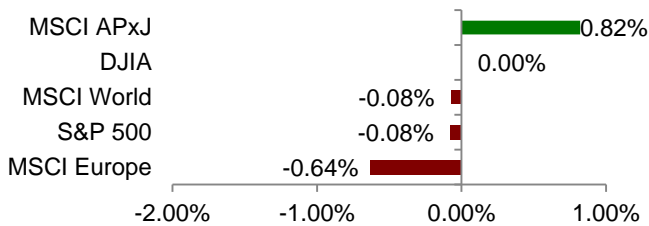


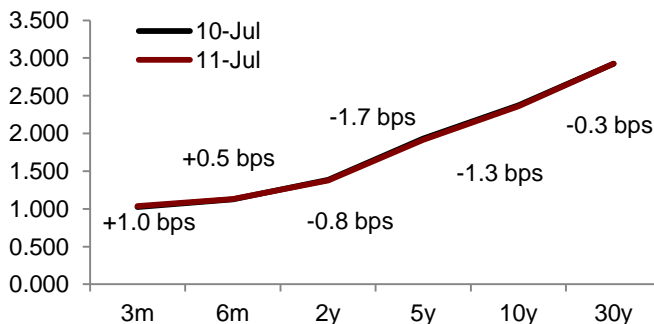
**Most global equities, U.S. Treasury yields and the U.S dollar ended lower as investors await Federal Reserve Chair Yellen's speech on timing of the next policy tightening move. Additionally, renewed political controversy sparked in the U.S. following the release of incriminating evidence of Russian involvement in Trump's presidential election campaign.**

- ✓ **The local equities market** marginally rose, following a widening trade deficit, with a 44% and 38% growth in metals and transport equipment imports, respectively, suggesting further strengthening of the economy. The PSEi rose by 0.264%, closing at 7,858.14.
- ✓ **Local fixed income market yields** fell on average as investors expected a high-volume, low-yield turnout for the 5-year bond auction. Investors were also concerned about the wider-than-expected trade deficit. On average yields descended 15.18 bps, led by the short-end of the curve which fell by 34.45 bps.

### Global Equities

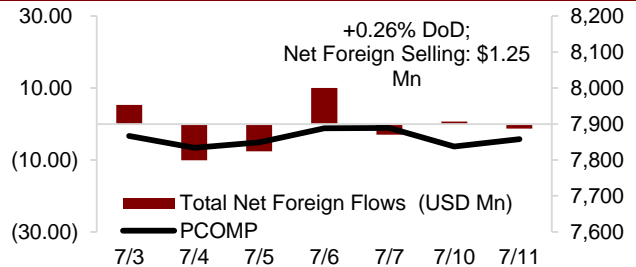


### US Treasuries

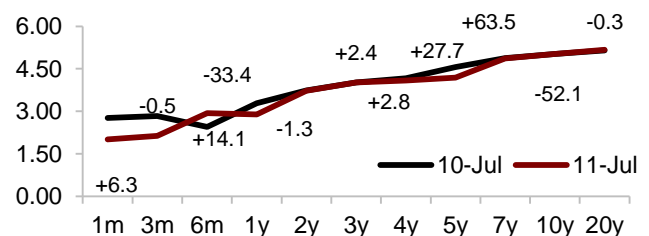


- ✓ **The Philippine peso** initially weakened amidst the surprise in the May trade deficit, which widened to \$2.8bn, but recovered given USD profit-taking late in the session. The peso strengthened by 0.33%, closing at 50.53.
- ✓ **The US dollar** depreciated on jitters over incriminating evidence on Russian involvement in Trump's presidential election campaign and as investors await Fed Chair Yellen's two-day address to the Congress. The DXY declined 0.37%, closing at 95.669.

### PSEi Snapshot



### Local Bond Market Movement

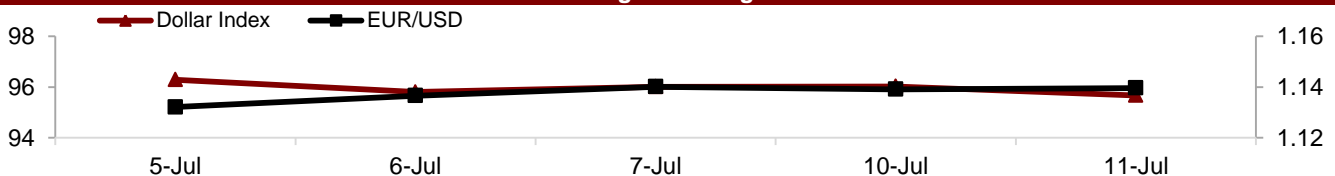


- ✓ **US equities** ended mixed following renewed uncertainty in the Trump administration's ability to pass its economic agenda, as controversy hangs over Donald Trump Jr.'s involvement with a top Russian government prosecutor. Investors are also keeping an eye on Fed chair Yellen's speech regarding the unwinding of the Fed's balance sheet. The S&P 500 was down 0.08% to 2,425.53, while the DJIA remain unchained at 21,409.07.
- ✓ **European equities** fell as investors are still in a wait-and-see mode ahead of Fed Chair Yellen's upcoming speech and the ECB meeting to be held next week. The MSCI Europe closed lower by 0.64% day-on-day to 127.99.
- ✓ **Asian equities** rose, led by technology companies tracking their U.S. counterparts ahead of optimism for the second quarter earnings season. The MSCI APxJ rose by 0.82% to 506.67.
- ✓ **US Treasuries yields** marginally declined as Fed Board Governor Lael Brainard and Philadelphia Fed President Patrick Harker expressed doubts on the next interest rate hike due to persistently low inflation. On average, yields decreased by 0.41 bps with the 10-year closing at 2.361% (-1.25 bps).

### Foreign Exchange

USD/PHP	Previous Close	50.695
	Close	50.530
EUR/USD	Previous Close	1.1391
	Indicative Rate	1.1393

### Foreign Exchange



## Key Indicators

YIELDS AND PRICES	11-Jul-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.13	-0.71%	0.02%	0.12%	-0.54%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.89	-0.40%	-0.01%	0.04%	0.52%
ROP2021 (Price)	106.06	0.01	(0.10)	(0.75)	(2.30)
ROP2034 (Price)	132.57	(0.05)	(0.98)	(2.19)	2.10
3-Month US Treasury Yield	1.04	0.02%	0.02%	0.05%	0.88%
3-Month German Treasury Bill Yield	(0.68)	-0.02%	0.15%	0.12%	-0.16%
Dubai Crude Oil Spot (\$/bbl)	45.45	1.07%	-5.82%	-1.17%	41.46%
Gold Spot (\$/oz)	1,210.96	-0.28%	-1.01%	-4.40%	14.09%

## Upcoming Economic Releases

### Philippines

Date	Event	Period	Prior
7/17/2017	Overseas Remittances YoY	May	-5.9%
7/19/2017	BoP Overall	June	(\$59mn)

### Developed Markets

Date	Country	Event	Period	Prior
7/12/2017	Japan	PPI YoY	June	2.1%
7/12/2017	US	MBA Mortgage Applications	July	1.4%
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