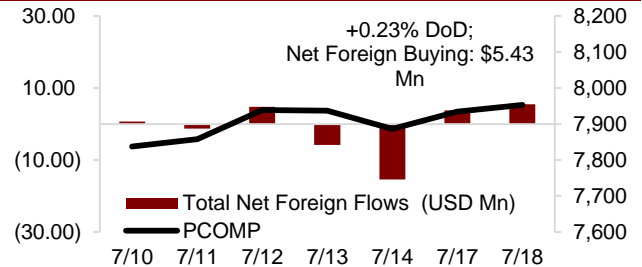


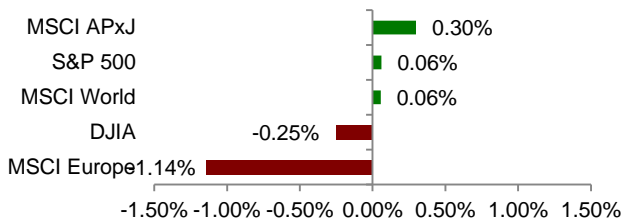
Global equities and the USD ended mixed after markets priced-in receding hopes of Trump's tax reform agenda as two more Republican senators chose not to support the President's proposed health-care reform bill. Meanwhile, US Treasury yields declined ahead of the ECB and BOJ meeting on Thursday.

- ✓ **Local equities** rallied ahead of the 2Q earnings season amid a second consecutive day of positive foreign net inflows. The PSEi gained 0.23%, to close at 7,952.92.
- ✓ **Local fixed income market yields** slipped again, tracking movements overseas, ahead of the ECB meeting and as investors anticipated key economic data releases locally. On average, yields lost 9.89 bps led by the belly which lost 16.98 bps on average.

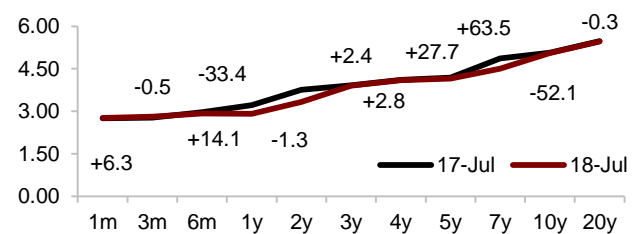
PSEi Snapshot



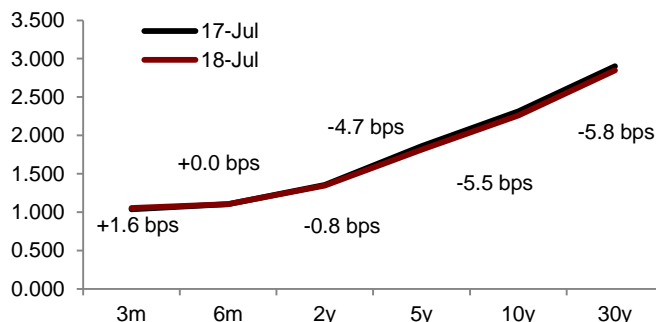
Global Equities



Local Bond Market Movement



US Treasuries



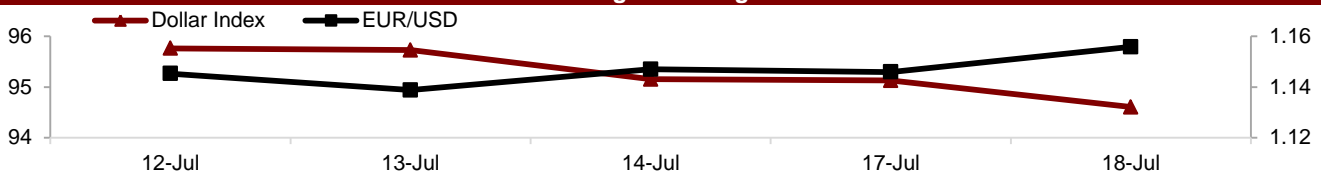
- ✓ **US equities** ended mixed after two more Republican senators pronounced their opposition towards President Trump's proposed healthcare reform bill. The S&P 500 reached an all time high closing at 2,460.61 (+0.06%), while the DJIA declined 0.25% to 21,574.73.
- ✓ **European stocks** slipped after UK's 12 month CPI fell to 2.6% in June from 2.7% in May - the latter's first decline since April 2016. Markets are also feeling jitters ahead of the ECB meeting on Thursday. The MSCI Europe fell 1.14% day-on-day to 129.07.
- ✓ **Asian equities** edged higher, led by technology shares as investors anticipate that a weaker U.S. dollar may improve the earnings outlook of software companies and chip makers in the region. The MSCI APxJ added 0.30% to 521.36.
- ✓ **US Treasuries** declined day on day with the market-implied probability of a rate hike by year-end declined to 42%, down from 60% 2 weeks ago. On average, yields were down 2.53 bps as the 10 year lost 5.5 bps to 2.259%.

- ✓ The **Philippine peso** weakened, hitting a 12-month high intraday, as investors moved ahead of the Balance of Payments figure release. Investors are cautious about a potential current account deficit scenario following the wider-than-anticipated trade deficit data released last week. The peso fell by 0.14%, closing at 50.77.
- ✓ The **US dollar** tumbled after markets priced-in receding probabilities of Trump's planned tax reform amid lack of support for Trump's health-care bill. The DXY depreciated 0.55% to 94.60.

Foreign Exchange

Pair	Previous Close	Current Rate
USD/PHP	50.700	50.770
EUR/USD	1.1459	1.1528

Foreign Exchange



Key Indicators

YIELDS AND PRICES	18-Jul-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.81	0.03%	0.68%	0.13%	0.14%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.91	-0.31%	0.02%	0.10%	0.54%
ROP2021 (Price)	106.37	0.03	0.29	(0.53)	(1.99)
ROP2034 (Price)	134.42	0.52	1.75	(0.99)	3.95
3-Month US Treasury Yield	1.05	0.02%	0.02%	0.05%	0.89%
3-Month German Treasury Bill Yield	(0.66)	-0.01%	0.02%	0.20%	-0.14%
Dubai Crude Oil Spot (\$/bbl)	47.33	-0.44%	4.23%	3.27%	47.31%
Gold Spot (\$/oz)	1,244.06	0.81%	2.16%	-0.76%	17.21%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
7/19/2017	Budget Balance PHP	June	-33.4bn
7/19/2017	BoP Overall	June	(\$59mn)

Developed Markets

Date	Country	Event	Period	Prior
7/19/2017	US	All Industry Activity Index MoM	July	-7.4%
7/20/2017	Japan	All Industry Activity Index MoM	May	2.1%
7/20/2017	Europe	ECB Deposit Facility Rate	July	0.4%

Emerging Markets

Date	Country	Event	Period	Prior
7/24/2017	Singapore	CPI YoY	June	1.4%
7/31/2017	China	Manufacturing PMI	July	51.7
8/1/2017	India	Nikkei India PMI Mfg	July	50.90

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