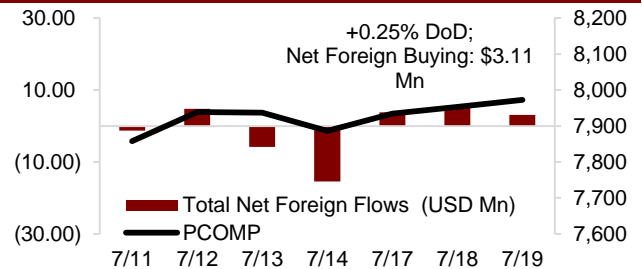


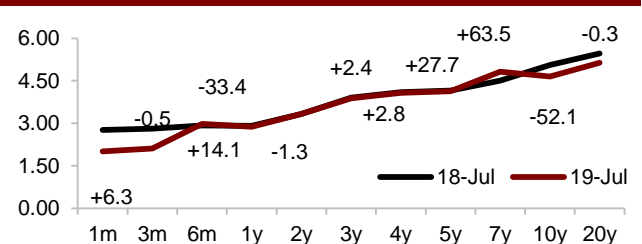
**Global equities closed in positive territory after favorable corporate earnings data from Europe and the US buoyed sentiment while Asian equities gained amid the rally in Crude oil futures. Additionally, the US dollar and US Treasury yields gained amidst robust housing data.**

- ✓ **Local equities** closed marginally higher despite the widening of the BOP deficit as investors anticipate the release of second quarter corporate earnings. The PSEI gained 0.25%, to close at 7,972.90.
- ✓ **Local fixed income market yields** fell as investors took positions ahead of the back-to-back ECB and BOJ meetings on Thursday. Also, lack of support towards President Trump's proposed health care bill and lower inflation data from the UK translated to lower global inflation expectations in the future, consequently compounding negative pressures towards fixed income markets. On average, yields slid 15.86 bps, led by the short-end which lost 35.97 bps.

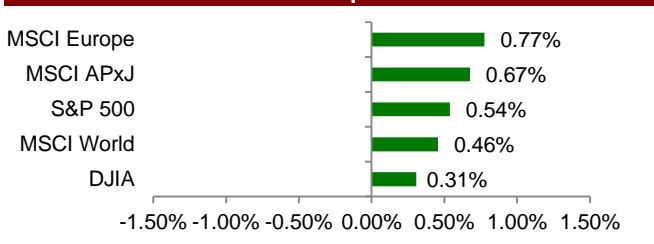
### PSEi Snapshot



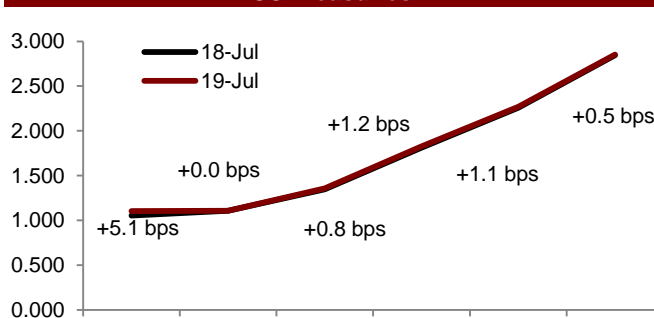
### Local Bond Market Movement



### Global Equities



### US Treasuries



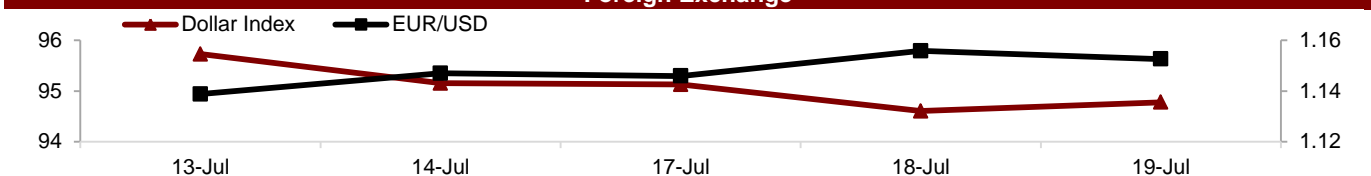
- ✓ **US equities** ended higher as better-than-expected earnings results from financial firms such as Morgan Stanley strengthened optimism in the economy and in subsequent earnings releases. The S&P 500 closed higher at 2,473.83 (+0.54%), while the DJIA rose by 0.31% to 21,640.75.
- ✓ **European stocks** ended the day with solid gains given well perceived corporate earnings results and as investors positioned ahead of the ECB policy decision on Thursday. The MSCI Europe rose 0.77% day-on-day to 130.07.
- ✓ **Asian equities** tracked positivity from the US, as it climbed for a 10th straight day. Also, elevating Asia was the rally from Crude oil futures, as Brent and WTI rose 1.76% and 1.55%, respectively. The MSCI APxJ added 0.67% to 524.87.
- ✓ **US Treasury yields** ascended given the better-than-expected housing starts data which reinforces expectations of further improvements in the US economy. On average, yields were up 1.45 bps as the 10 year added 1.06 bps to 2.27%.

- ✓ The **Philippine peso** continued to weaken, closing at an 11-year low amid a widening Balance of Payments (BOP) deficit, compounding the bearish sentiment for the currency. The BOP deficit widened the most in 7-months to \$569 million in June. The peso fell by 0.33%, closing at 50.94.
- ✓ The **US dollar** strengthened following upbeat economic data on housing starts and building permits. Housing starts in June came in at 1.22 million compared to consensus at 1.16 million, while building permits totaled to 1.25 million versus consensus at 1.20 million. The DXY appreciated by 0.18% to 94.779.

### Foreign Exchange

Pair	Previous Close	Current
USD/PHP	50.770	50.940
EUR/USD	1.1558	1.1526

### Foreign Exchange



## Key Indicators

YIELDS AND PRICES	19-Jul-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.11	-0.70%	-0.12%	-0.76%	-0.56%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.88	-0.03%	0.01%	-0.13%	0.51%
ROP2021 (Price)	106.44	0.07	0.21	(0.48)	(1.92)
ROP2034 (Price)	134.74	0.32	1.57	(0.64)	4.27
3-Month US Treasury Yield	1.10	0.05%	0.06%	0.10%	0.94%
3-Month German Treasury Bill Yield	(0.67)	-0.01%	-0.00%	0.19%	-0.15%
Dubai Crude Oil Spot (\$/bbl)	47.74	0.87%	1.90%	3.85%	48.58%
Gold Spot (\$/oz)	1,241.21	-0.23%	1.70%	-0.18%	16.94%

## Upcoming Economic Releases

### Philippines

Date	Event	Period	Prior
7/22/2017	Budget Balance PHP	June	-33.4bn
8/4/2017	CPI YoY	July	2.8%

### Developed Markets

Date	Country	Event	Period	Prior
7/20/2017	US	Initial Jobless Claims	July	247k
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