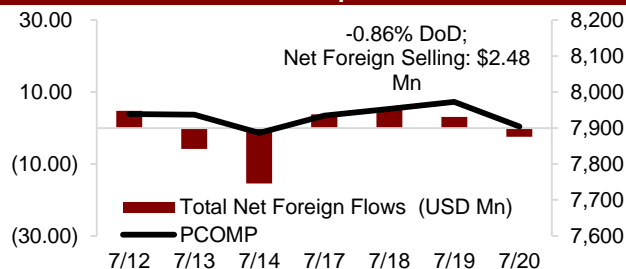


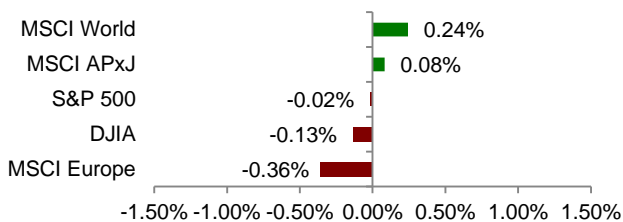
Global equities ended mixed following profit taking in the US and Asia, while European equities declined amid more dovish than expected statements from the ECB President Mario Draghi. US Treasuries and the US dollar declined due to weak demand in the TIPS auction and controversies surrounding US President Trump, respectively.

- ✓ **The local equities index** fell, failing to breach the 8,000 level resistance mark as investors succumbed to profit taking ahead of the ECB meeting. The PSEi declined 0.86% day-on-day, retracing to 7,904.34.
- ✓ **Local fixed income market yields** rose with just Php6.1 billion worth of trades (79% on the short-end of the curve) as investors stayed cautious, even as the BOJ pushed back their monetary policy goal of hitting 2% inflation from 2018 to around April 2019. On average, yields added 17.36 bps, led by the short-end which grew 34.43 bps.

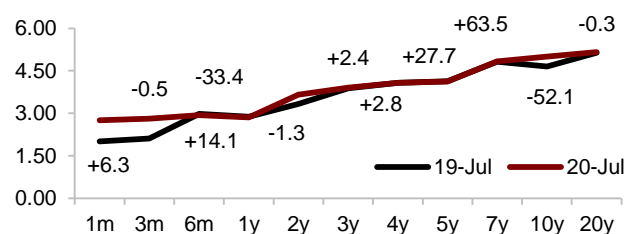
PSEi Snapshot



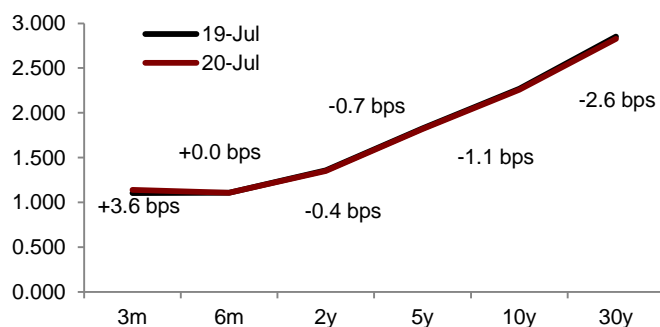
Global Equities



Local Bond Market Movement



US Treasuries



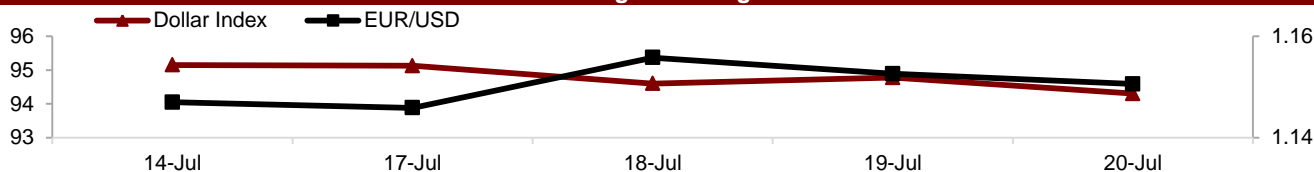
- ✓ **US equities** declined, resulting to profit taking, after investors have been reinforcedly vigored by robust corporate earnings results. As of today, 83% of US corporates topped estimates in bottomline. The S&P 500 closed higher at 2,473.45 (-0.02%), while the DJIA slid 0.13% to 21,411.78.
- ✓ **European stocks** fell as investors priced-in the possibility of a less accomodative monetary policy from the ECB. Additional downward pressure was added on the possibility of European exporters being negatively affected by a stronger Euro, which reached its all time high versus the US dollar on the back of hawkish statements from ECB President Mario Draghi on the previous meeting. The MSCI Europe fell 0.36% day-on-day to 129.60.
- ✓ **Asian equities** marginally rose as investors anticipated ECB policy makers to follow suit with the BOJ's decision to retain their monetary stimulus program. The MSCI APxJ added 0.08% to 525.31.
- ✓ **US Treasury yields** ended lower after poor demand experienced in the 10Y Treasury Inflation Protected Securities (TIPS) auction following dovish statements from ECB President Mario Draghi. On average, yields were down 0.19 bps as the 10 year fell 1.07 bps to 2.259%.

- ✓ The **Philippine peso** appreciated as it pulled back from an 11-year low, with dealers taking profits on the USD. The peso gained 0.12%, closing at 50.88.
- ✓ The **US dollar** weakened after another investigation on President Trump with regards to the his financial dealings in Russia, this time by US special counsel Robert Mueller. The DXY slipped 0.50% to 94.306.

Foreign Exchange

USD/PHP	Previous Close	50.940
	Close	50.880
EUR/USD	Previous Close	1.1526
	Indicative Rate	1.1505

Foreign Exchange



Key Indicators

YIELDS AND PRICES	20-Jul-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.81	0.70%	0.59%	0.77%	0.14%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.86	-0.03%	-0.02%	0.01%	0.48%
ROP2021 (Price)	106.54	0.11	0.24	(0.37)	(1.82)
ROP2034 (Price)	134.80	0.07	1.05	(0.71)	4.33
3-Month US Treasury Yield	1.14	0.04%	0.11%	0.13%	0.98%
3-Month German Treasury Bill Yield	(0.66)	0.01%	0.02%	0.18%	-0.14%
Dubai Crude Oil Spot (\$/bbl)	48.33	1.24%	5.07%	6.06%	50.42%
Gold Spot (\$/oz)	1,238.30	-0.23%	1.70%	-0.38%	16.66%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
7/24/2017	Budget Balance PHP	June	-33.4bn
8/4/2017	CPI YoY	July	2.8%

Developed Markets

Date	Country	Event	Period	Prior
7/24/2017	US	Markit US Manufacturing PMI	July	52.0
7/24/2017	Japan	Nikkei Japan PMI Manufacturing	July	52.4
7/24/2017	Europe	Markit Eurozone Manufacturing PMI SA	July	57.4

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