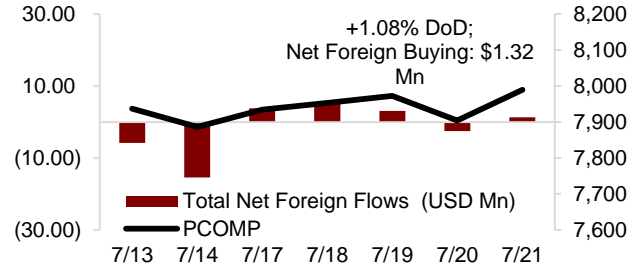


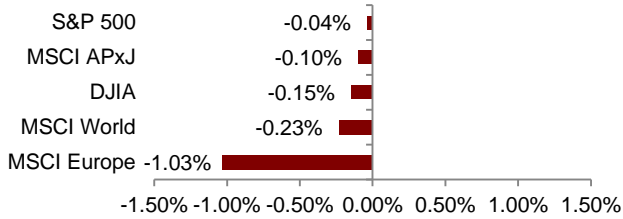
**Global equities ended in negative territory after a week packed with Central bank meetings and corporate earnings results. US Treasury yields declined as the BOJ and ECB kept monetary policy and interest rates steady while the US dollar weakened amid another White house Director resigning over tensions with the President's inner circle.**

- ✓ **The local equities index** went up as investors continued to anticipate strong corporate earnings during the 2Q17 earnings season. The PSEi increased by 85.39 points or 1.08%, closing at 7,989.73.
- ✓ **Local fixed income market yields** fell as the European Central Bank (ECB) decided to keep current policies unchanged, and given the Deputy Governor Gunigundo's statement that PH inflation may have peaked in April. On average, yields declined by an average of 8.21 bps, led by the short and long-end of the curve which decreased by 17.51 bps and 10.32 bps.

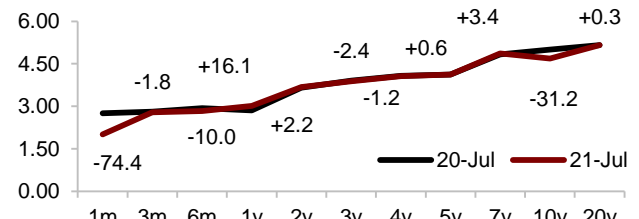
### PSEi Snapshot



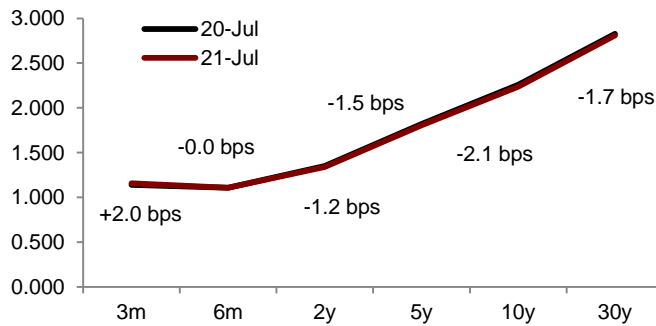
### Global Equities



### Local Bond Market Movement



### US Treasuries



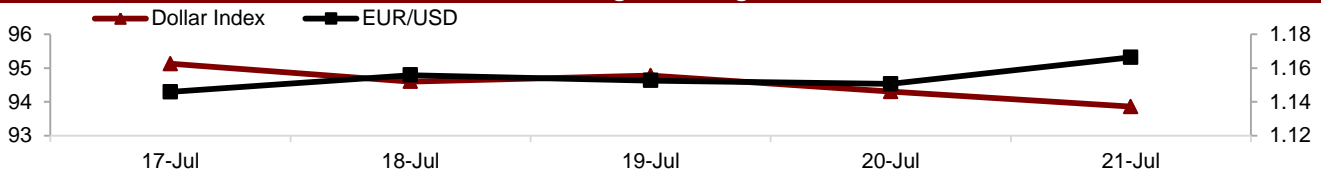
- ✓ **US equities** ended flat with a slight downward bias as market participants are expecting dovish comments from the two-day FOMC meeting on Wednesday given mixed corporate earnings results and weak economic data. The S&P 500 closed lower at 2,472.54 (-0.04%), while the DJIA slid 0.10% to 21,580.07.
- ✓ **European stocks** declined, led by automotive stocks, over an antitrust investigation for potential collusion between carmakers. A continually strengthening Euro led to souring sentiment towards the market as it may put pressure on export-related companies. The MSCI Europe fell 1.03% day-on-day to 128.26.
- ✓ **The Asian equity index** declined marginally as investors took profit after rallying for ten straight days. Investors are in a wait-and-see attitude ahead of a FED meeting on Wednesday, following the recent ECB meeting wherein policymakers decided to defer policy normalization until the latter part of the year. The MSCI APxJ fell 0.10% to 524.79.
- ✓ **US Treasury yields** fell, mirroring the decline in European bond yields as the Euro rose to a two-year high versus the US dollar, which could potentially delay any plans for future quantitative easing. On average, yields were down 0.75 bps as the 10 year fell 2.14 bps to 2.238%.

- ✓ The **Philippine peso** appreciated, as sentiment on the USD continued to sour following the investigation on U.S President Trump's business transactions with Russia, which may weaken his political capital further and disrupt his economic agenda. The peso gained 0.34%, closing at 50.71.
- ✓ The **US dollar** weakened to a 14 month low after White house speaker Sean Spicer resigned, verifying upheaval within the President's inner circle. The DXY slipped 0.48% to 93.85.

### Foreign Exchange

USD/PHP	Previous Close	50.880
	Close	50.710
EUR/USD	Previous Close	1.1506
	Indicative Rate	1.1645

### Foreign Exchange



## Key Indicators

YIELDS AND PRICES	21-Jul-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.79	-0.02%	-0.04%	0.74%	0.12%
1-Year Philippine Treasury Bill Yield (PDST-R2)	3.02	0.16%	0.15%	0.16%	0.65%
ROP2021 (Price)	106.50	(0.04)	0.29	(0.39)	(1.86)
ROP2034 (Price)	134.79	(0.08)	1.51	(0.73)	4.32
3-Month US Treasury Yield	1.16	0.02%	0.13%	0.18%	1.00%
3-Month German Treasury Bill Yield	(0.70)	-0.04%	-0.04%	0.13%	-0.18%
Dubai Crude Oil Spot (\$/bbl)	48.15	-0.37%	1.69%	8.47%	49.86%
Gold Spot (\$/oz)	1,255.05	0.85%	2.14%	0.68%	18.24%

## 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
7/28/2017	Japan	Jobless Rate	June	3.1%
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