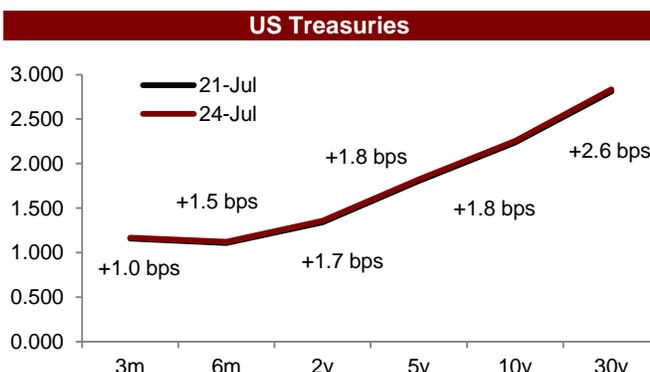
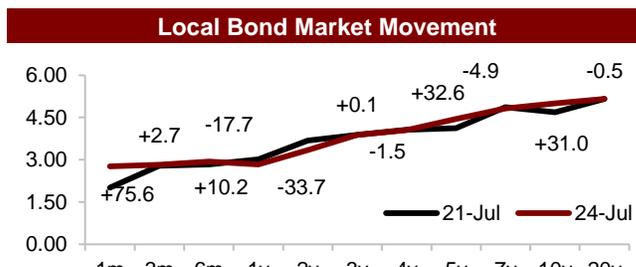
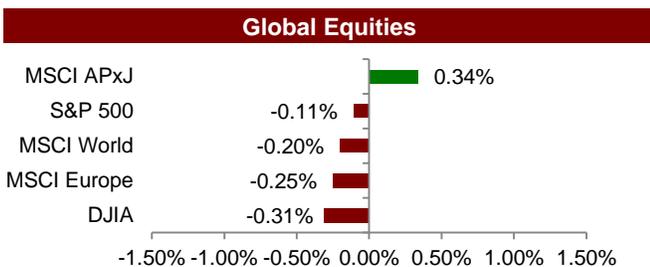
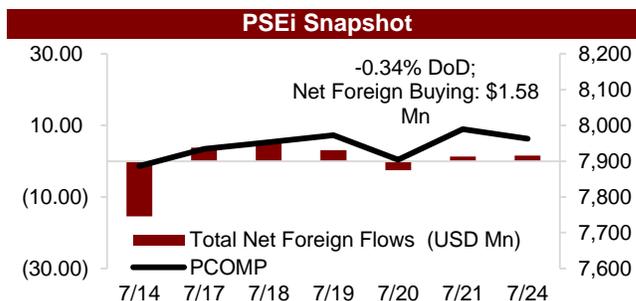


Global equities ended mixed ahead of a number of corporate earnings releases in the US and mixed economic data globally. European equities tumbled following a weaker-than-expected manufacturing print. Meanwhile, US Treasury yields and the US dollar rose ahead of the two-day FOMC meeting and favorable manufacturing data in the US, respectively.

- ✓ **The local equities index** marginally declined again failing to breach the 8,000 level resistance mark as market participants took a wait-and-see stance ahead of the State of the Nation Address (SONA) of the president later in the day. The PSEi fell 27.09 points or 0.34%, closing at 7,962.64.
- ✓ **Local fixed income market yields** inclined ahead of a 20-year bond auction, as offshore demand is expected to be weak amid a foreseeable weakness in the Philippine Peso. On average, yields increased by an average of 7.81 bps, led by the short and long-end of the curve which rose by 17.69 bps and 10.15 bps respectively.

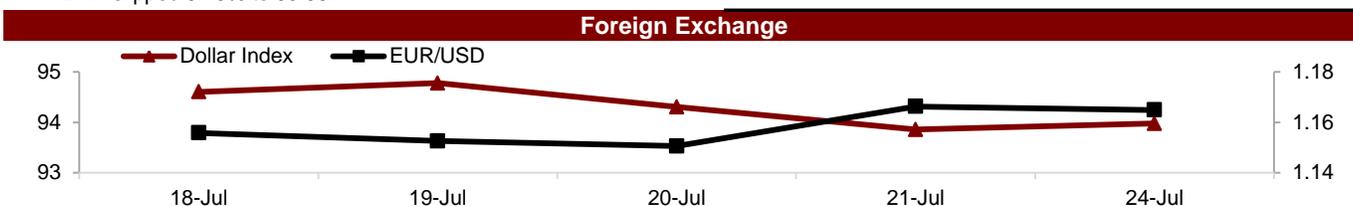


- ✓ **US equities** declined after investors' locked in gains due to strong corporate earnings. As of Monday, 68% of companies beat earnings expectations, the highest proportion of bottomline beats in a span of five years. The S&P 500 closed lower at 2,469.91 (-0.11%), while the DJIA slid 0.31% to 21,513.17.
- ✓ **European stocks** declined, led by the automotive sector, as antitrust watchdogs continue to put pressure on automakers suspected of collusion. Additionally, the Markit Eurozone Manufacturing Index registered a lower-than-expected figure at 56.8, compared to consensus at 57.2. The MSCI Europe fell 0.25% day-on-day to 127.94.
- ✓ **The Asian equity index** ended mixed, fluctuating near its ten-year high as investors await further US earnings releases this week. Furthermore, weighing on investors' minds is the upcoming two-day FED meeting on monetary policy this Wednesday. The MSCI APxJ rose 0.34% to 526.56.
- ✓ **US Treasury yields** rose as investors brace for the upcoming FED monetary policy meeting that will provide clarity on further interest rate hikes and plans on tapering its \$4.5 billion balance sheet. On average, yields were up 1.73 bps, led by the 30-year which rose 2.58bps to 2.835%.

- ✓ **The Philippine peso** marginally weakened despite the wider-than-expected budget deficit in June, which was at P90.9 billion compared to P45.2 billion during the same month in the year prior. The peso lost 0.05%, closing at 50.735.
- ✓ **The US dollar** strengthened amid a favorable economic print brought about by IHS Markit US Manufacturing PMI, rising to 53.2 in July (mkt. est. 52.3) on the back of accelerations in new orders, output and employment. The DXY slipped 0.13% to 93.98.

Foreign Exchange

USD/PHP	Previous Close	50.710
	Close	50.735
EUR/USD	Previous Close	1.1663
	Indicative Rate	1.1652



Key Indicators

YIELDS AND PRICES	24-Jul-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.82	0.03%	0.04%	0.75%	0.15%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.84	-0.18%	-0.38%	-0.01%	0.47%
ROP2021 (Price)	106.49	(0.01)	0.15	(0.30)	(1.87)
ROP2034 (Price)	134.76	(0.03)	0.87	(0.52)	4.29
3-Month US Treasury Yield	1.15	-0.01%	0.12%	0.20%	0.99%
3-Month German Treasury Bill Yield	(0.69)	0.01%	-0.04%	0.12%	-0.17%
Dubai Crude Oil Spot (\$/bbl)	46.53	-3.36%	-2.12%	5.39%	44.82%
Gold Spot (\$/oz)	1,255.74	0.05%	1.76%	-0.08%	18.31%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
7/31/2017	Bank Lending YoY	June	17.4%
8/4/2017	CPI YoY	July	2.8%

Developed Markets

Date	Country	Event	Period	Prior
7/26/2017	US	MBA Mortgage Applications	July	6.3%
7/28/2017	Japan	Jobless Rate	June	3.1%
7/28/2017	Europe	Consumer Confidence	July	-1.7

Emerging Markets

Date	Country	Event	Period	Prior
7/26/2017	Singapore	Industrial Production YoY	June	5.0%
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