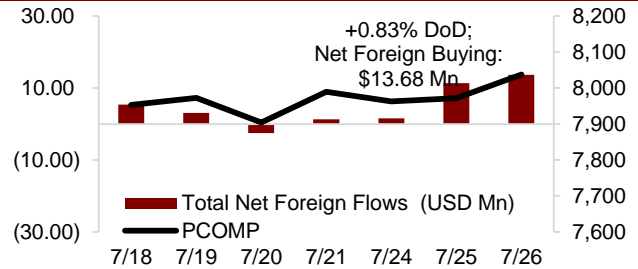


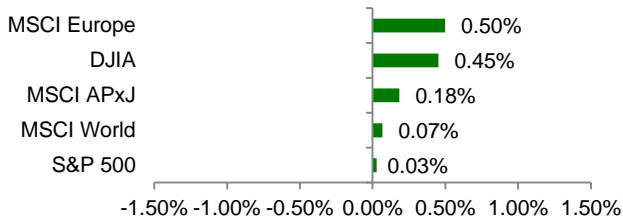
Global equities ended with marginal increases following positive US corporate earnings releases; however, the Senate's rejection to repeal Obamacare has been weighing down investor sentiment. Meanwhile, the US dollar and US Treasury yields declined as investors focused on the Fed's relatively tempered view on inflation over its potential balance sheet reduction (possibly as soon as September).

- ✓ **The local equities index** closed higher, breaching the psychological resistance of 8,000. Foreign investors were broadly upbeat towards Asian shares after global oil prices surged more than 3% overnight. The PSEi gained 0.79%, closing at 8,034.33.
- ✓ **Local fixed income market yields** rose ahead of the 2-day Federal Reserve meeting. On average, yields increased by an average of 6.72 bps, led by the belly, which tucked in 12.80 bps.

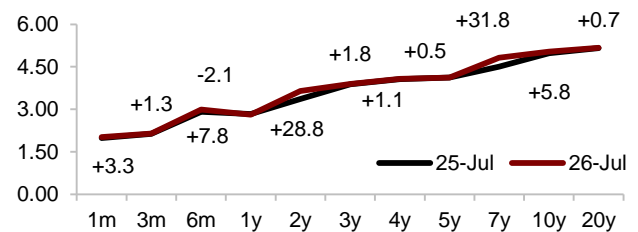
PSEi Snapshot



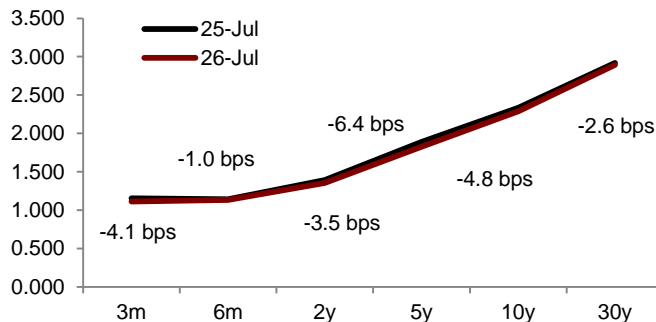
Global Equities



Local Bond Market Movement



US Treasuries



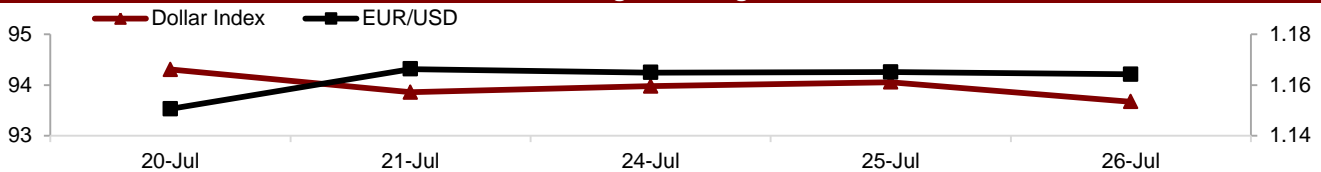
- ✓ **US equities** rose on the back of solid corporate earnings with 80% of S&P corporates delivering upward surprises. However, paring positivity was the Senate's second rejection of the Republicans' motion to repeal Obamacare. The S&P 500 closed higher at 2,477.83 (+0.03%), while the DJIA rose by 0.45% to 21,711.01.
- ✓ **European stocks** advanced, led by energy companies tracking gains due to the increase in oil prices, with Brent rising to \$50.97/bbl (+1.53%). The MSCI Europe rose 0.50% day-on-day to 129.16.
- ✓ **The Asian equity index** ended higher on the back of upbeat earnings releases in the US and the pick-up in oil prices. Investors anticipated a more dovish FED, pricing-in FED officials leaving rates unchanged. The MSCI APxJ went up by 0.18% to 527.37.
- ✓ **US Treasury yields** declined as the Fed chose to keep rates unchanged as inflation remained below the Fed's 2% target. Nonetheless, the Fed stated that they would unwind the balance sheet relatively soon. On average, yields were down 3.72 bps, with the 10-year which declining 4.82 bps to 2.287%.

- ✓ The **Philippine peso** mildly declined, tracking movements of Asian currencies. The US dollar strengthened on the back of a strong consumer confidence index. The peso weakened 0.20% against the greenback, closing at 50.640.
- ✓ The **US dollar** fell in light of weak economic data, stemming from new home sales falling below estimates in June at 610k (mkt. est. 615k compounded by the Senate's rejection to repeal Obamacare. The DXY was down 0.41% to 93.67.

Foreign Exchange

Pair	Previous Close	Current
USD/PHP	50.540	50.640
EUR/USD	1.1651	1.1636

Foreign Exchange



Key Indicators

YIELDS AND PRICES	26-Jul-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.15	0.01%	0.04%	0.08%	-0.52%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.82	-0.02%	-0.07%	-0.03%	0.45%
ROP2021 (Price)	106.31	0.05	(0.12)	(0.56)	(2.05)
ROP2034 (Price)	133.87	(0.13)	(0.86)	(1.48)	3.40
3-Month US Treasury Yield	1.11	-0.04%	0.01%	0.16%	0.95%
3-Month German Treasury Bill Yield	(0.66)	0.02%	0.01%	0.16%	-0.14%
Dubai Crude Oil Spot (\$/bbl)	49.07	2.89%	2.79%	11.14%	52.72%
Gold Spot (\$/oz)	1,260.55	0.84%	1.56%	1.27%	18.76%

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
7/27/2017	US	Initial Jobless Claims	July	233k
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
7/28/2017	Singapore	Foreign Reserves	July	\$185.4Bn
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