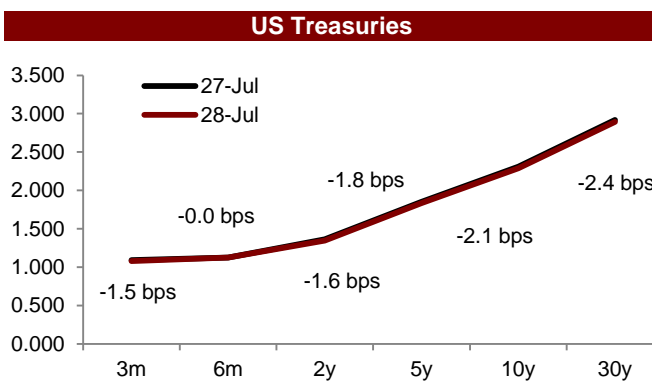
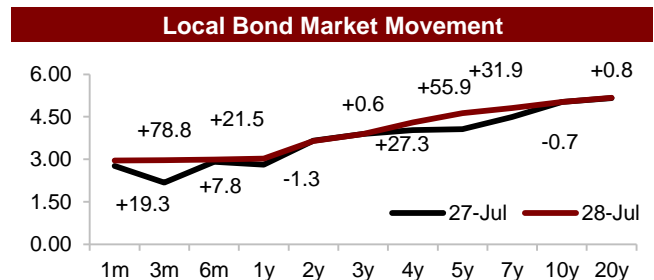
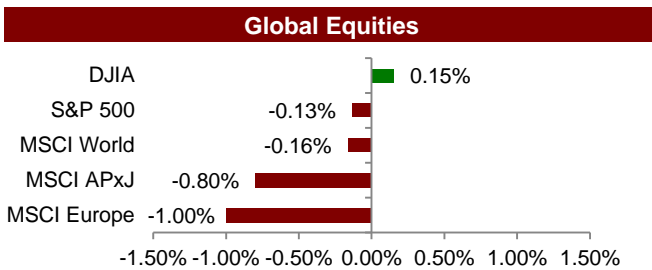
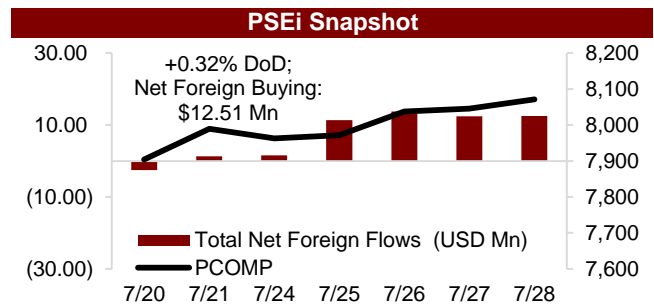


**Most global equities ended lower amid profit-taking as the second quarter corporate earnings season ensued. Meanwhile, US Treasury yields and the US dollar declined in light of geopolitical risks in Iran and a 1Q17 downward revision of GDP.**

- ✓ The **local equities market** advanced as foreign inflows drove the index higher given optimism amid the 2Q corporate earnings season. The PSEi gained 0.32%, closing at 8,071.47.
- ✓ In the **local fixed income market**, prices of government securities fell as investors took caution ahead of the Php15 billion T-bill auction to be held on Monday. On average, yields went up by 20.16 bps, led by the short end of the curve which increased by 31.85 bps.

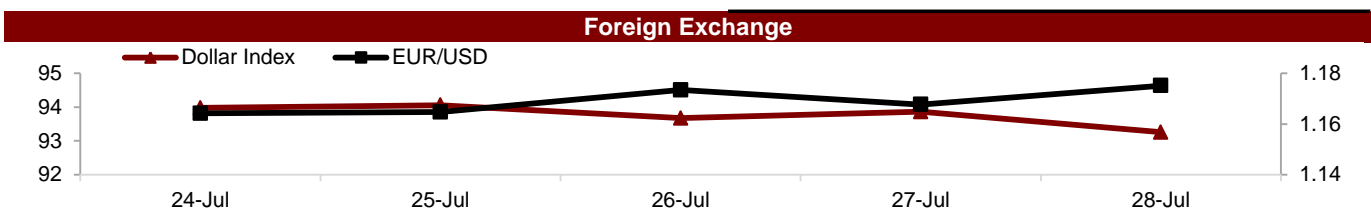


- ✓ **US equities** ended mixed as the second quarter corporate earnings season continued. The **S&P 500** ended lower amid a sell off in technology shares following Amazon.com's weaker-than-expected earnings release. Meanwhile, the **DJIA** advanced as the WTI crude finished its best week of the year up \$0.67, or 1.37% to US\$49.71 a barrel. The S&P 500 closed lower at 2,472.10 (-0.13%), while the DJIA rose by 0.15% to 21,830.31.
- ✓ **European stocks** closed at its lowest level in 3 months following reports that German inflation rose 1.5% year-on-year in July, sparking concerns that the ECB may begin to shift to a less accommodative monetary policy. The MSCI Europe fell 1.00% day-on-day to 127.69.
- ✓ **Asian shares** fell amid a sharp sell-off in technology shares in Asia following the sudden drop in technology and transportation shares in Wall Street that filtered through to Asian equities. The MSCI APxJ index was down 0.80% to 526.90.
- ✓ **US Treasuries** rose as market players adopted a flight-to-safety stance after the US imposed sanctions on 6 subsidiaries of an Iranian company in response to a ballistic missile launch in Tehran. On average, yields declined 1.58 bps, with the 10-year down 2.14 bps to 2.289%.

- ✓ The **Philippine peso** traded sideways, with a slight weakening bias against the USD, as the current account deficit continued to weigh on sentiment for the Peso. Investors also stayed cautious ahead of the release of the U.S 2nd quarter GDP data. The peso fell by 0.02% closing at 50.57 level.
- ✓ The **US dollar** weakened despite the in-line 2Q 2017 GDP print of 2.6% after a downward revision in GDP for 1Q17 to 1.2%. The DXY shaved 0.64% to 93.26.

### Foreign Exchange

USD/PHP	Previous Close	50.560
	Close	50.570
EUR/USD	Previous Close	1.1705
	Indicative Rate	1.1705



## Key Indicators

YIELDS AND PRICES	28-Jul-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.97	0.79%	0.18%	0.95%	0.30%
1-Year Philippine Treasury Bill Yield (PDST-R2)	3.03	0.22%	0.01%	0.17%	0.65%
ROP2021 (Price)	106.42	0.03	(0.08)	(0.23)	(1.94)
ROP2034 (Price)	134.05	(0.04)	(0.74)	(0.97)	3.58
3-Month US Treasury Yield	1.08	-0.02%	-0.08%	0.08%	0.91%
3-Month German Treasury Bill Yield	(0.60)	0.07%	0.10%	0.21%	-0.08%
Dubai Crude Oil Spot (\$/bbl)	50.16	1.68%	4.17%	10.53%	56.12%
Gold Spot (\$/oz)	1,269.65	0.84%	1.16%	1.63%	19.62%

## 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
7/31/2017	US	Chicago Purchasing Manager	July	65.7
7/31/2017	Japan	Industrial Production MoM	June	3.6%
8/1/2017	Europe	GDP SA QoQ	2Q	-0.6%

### Emerging Markets

Date	Country	Event	Period	Prior
7/31/2017	Thailand	BoP Current Account Balance	June	\$1130Mn
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