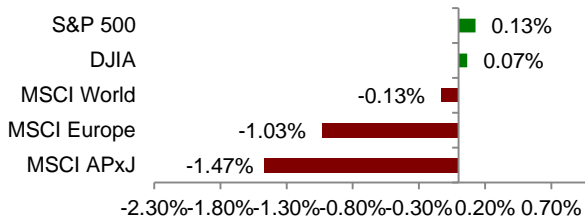


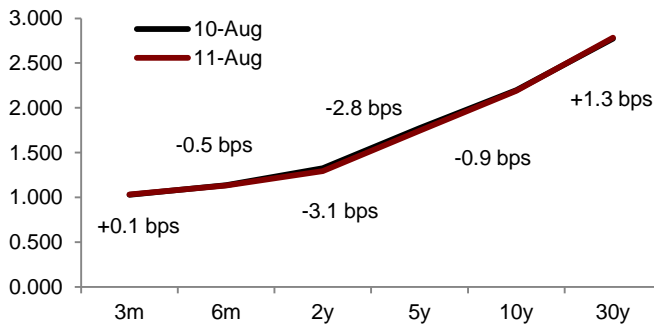
While US markets rallied slightly as investors positioned before the weekend, European and Asian markets fell, with investors still focused on the tensions between the US and North Korea. This general risk-off sentiment saw US Treasury prices rise, while dollar fell after the release of disappointing inflation data.

- ✓ The **local equities** market declined as U.S President Donald Trump continued to bash North Korea's Kim Jong Un, further escalating tensions. Japan and China, among others, have expressed concerns. The PSEi fell by 37.82 points or -0.475%, closing at 7,928.43.
- ✓ In the **local fixed income** market, prices of government securities fell as investors took caution ahead of the Php15 T-bill billion auction to be held on Monday next week. On average, yields went up by 3.84 bps led by the belly of the curve which increased by 7.09 bps.

### Global Equities

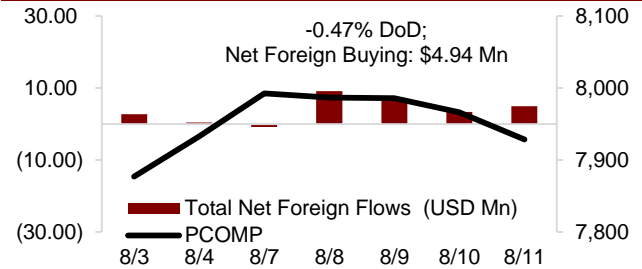


### US Treasuries

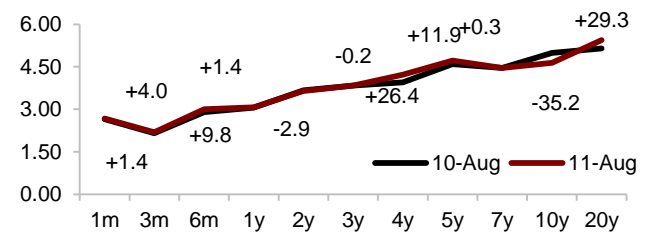


- ✓ The **Philippine peso** weakened against the dollar as the escalated concerns between the U.S and North Korea spills over into financial markets. The USD/PHP gained 0.36% to 50.98.
- ✓ The **US dollar** weakened following weaker-than-expected inflation data. The CPI increased 0.1% in July, behind consensus expectations of 0.2%. The DXY ended at 93.069 (-0.36% DoD).

### PSEi Snapshot



### Local Bond Market Movement

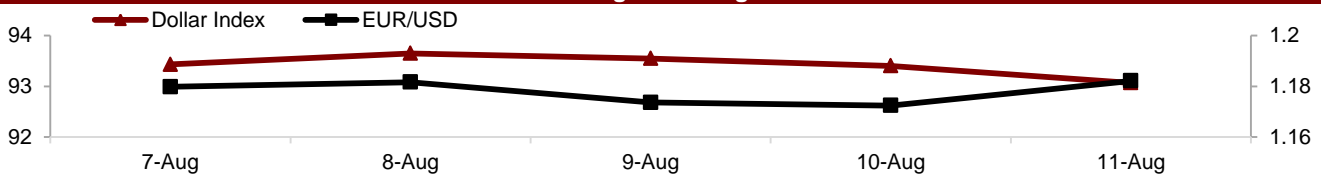


- ✓ **US equities** recovered slightly last Friday as market players weighed tensions between the US and North Korea, positioning ahead of the weekend. The Dow Jones Industrial Average edged up to 21,858.32 (+0.07% DoD) while the S&P 500 was at 2,441.32 (+0.13% DoD).
- ✓ **European equities** continued to suffer from the markets' geopolitically-driven risk-off stance, despite harmonized inflation numbers meeting market expectations and France's second quarter non-farm payroll report beating consensus at +0.5% quarter-on-quarter. The MSCI Europe closed at 125.66 (-1.03% DoD).
- ✓ **Asian shares** continued their downtrend as investors move away from risk assets. Meanwhile, India's industrial production weakened to the lowest level in four years as it declined 0.1% year-on-year in June. The MSCI Asia Pacific ex-Japan ended 1.47% lower to 516.08.
- ✓ **US Treasury yields** fell amid the continuing political turmoil between the US and North Korea. On average, yields fell 0.98 bps, with 2-year yields falling 3.06 bps.

### Foreign Exchange

USD/PHP	Previous Close	50.795
	Close	50.980
EUR/USD	Previous Close	1.1724
	Indicative Rate	1.1752

### Foreign Exchange



## Key Indicators

YIELDS AND PRICES	11-Aug-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.20	0.04%	0.06%	0.06%	-0.47%
1-Year Philippine Treasury Bill Yield (PDST-R2)	3.07	0.01%	0.20%	0.19%	0.70%
ROP2021 (Price)	106.34	(0.06)	(0.13)	0.26	(2.02)
ROP2034 (Price)	134.25	(0.27)	(0.64)	1.58	3.78
3-Month US Treasury Yield	1.03	0.00%	-0.04%	-0.01%	0.87%
3-Month German Treasury Bill Yield	(0.69)	-0.01%	0.00%	-0.02%	-0.18%
Dubai Crude Oil Spot (\$/bbl)	49.90	-3.24%	-0.72%	9.89%	55.31%
Gold Spot (\$/oz)	1,289.35	0.23%	2.43%	5.88%	21.47%

## Upcoming Economic Releases

### Philippines

Date	Event	Period	Prior
8/15/2017	Overseas Remittances YoY	June	5.5%
8/16/2017	GDP YoY	2Q	6.4%

### Developed Markets

Date	Country	Event	Period	Prior
8/15/2017	US	Retail Sales Advance MoM	July	-0.2%
8/15/2017	Japan	Industrial Production MoM	June	1.6%
8/16/2017	EU	GDP QoQ	2Q	0.6%

### Emerging Markets

Date	Country	Event	Period	Prior
8/14-8/15	China	Money Supply M2 YoY	July	9.4%
8/14-8/18	India	Exports YoY	July	4.4%
8/15/2017	Indonesia	Trade Balance	July	\$1631m

Sources: BPI, Business World, PDI, Phil Star, Manila Bulletin, Reuters, Briefing, Bloomberg, CNN, Dow Jones, The Wall Street Journal, CNBC