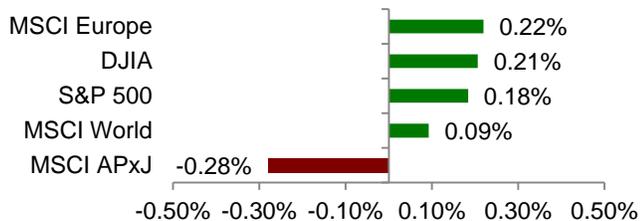


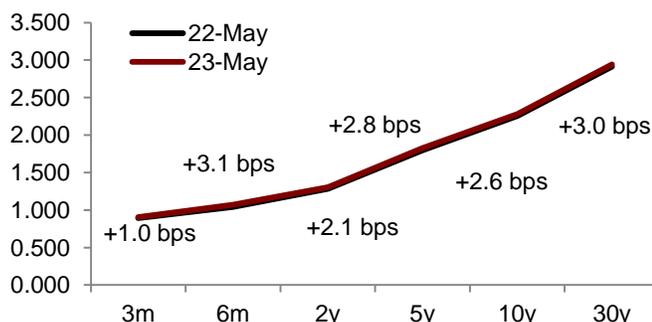
Equity markets in the US and Europe rose while bond yields rose on the back of good economic data, Asian stocks fell as oil prices hit one-month highs. Meanwhile, the US dollar tracked the increase in US Treasury yields, which rose amid uncertainty about inflation.

- ✓ **Philippine stocks** traded sideways as the market consolidated gains, fed by small foreign inflows due to political uncertainty in the US. There was minimal response from the equity market to today's explosion in Manchester. The PSEi increased 7 bps to 7,812.14.
- ✓ On average, prices for **Philippine fixed income securities** rose, as increased global political risk saw investors moving from the long end of the yield curve (yields up 17.23 bps) to the short end (yields down 13.23 bps) in order to maintain flexibility in the uncertain climate. Overall, the average yield of safe-haven fixed income securities fell 2.90 bps.

Global Equities

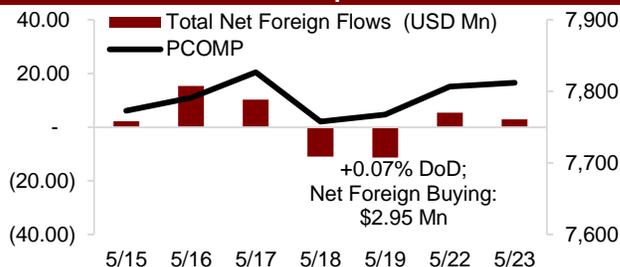


US Treasuries

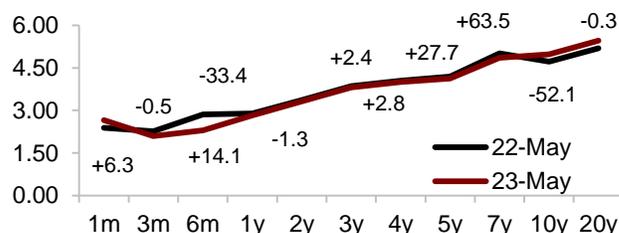


- ✓ The **Philippine peso** dipped slightly against the dollar, as investors flocked to the benchmark currency after the recent suspected terrorist attack on a concert in Manchester. The USDPHP rose 0.10% to 49.820.
- ✓ The **US dollar** climbed, tracking Treasury yields, as traders waited for catalysts ahead of the release of the FOMC meeting minutes on Thursday (US time). The DXY gained 0.38% to 97.35.

PSEi Snapshot



Local Bond Market Movement

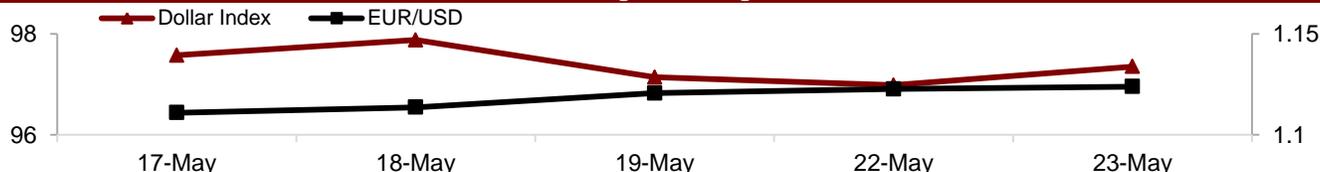


- ✓ **US stocks** continued to edge higher following the White House's release of its 2018 budget proposal. The markets were also buoyed by a rally in financial and healthcare shares. The DJIA ended at 20,937.91 (+0.21% d/d), while the S&P 500 closed at 2,398.42 (+0.18% d/d).
- ✓ **European shares** rose, led by technology companies and automakers, as strong German and French economic data improved risk appetites. The MSCI Europe gained 0.22% d/d, closing at 132.32.
- ✓ **Asian equity markets** slid from two-year highs as oil broke a four-day uptrend, halting gains by materials producers. The MSCI APxJ lost 0.28%, closing at 495.60.
- ✓ **US Treasury yields** continued to rise amid doubts about the pace of inflation ahead of next month's FOMC meeting regarding a possible interest rate hike. The curve rose 2.43 bps on average, with 10-year yields up 2.62 bps.

Foreign Exchange

USD/PHP	Previous Close	49.770
	Close	49.820
EUR/USD	Previous Close	1.1227
	Indicative Rate	1.1248

Foreign Exchange



Key Indicators

YIELDS AND PRICES	23-May-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.10	-0.16%	0.09%	-0.65%	-0.57%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.83	-0.07%	-0.04%	-0.18%	0.45%
ROP2021 (Price)	106.51	0.02	0.07	(0.29)	(1.85)
ROP2034 (Price)	133.70	0.16	0.50	(0.37)	3.24
3-Month US Treasury Yield	0.90	0.01%	0.01%	0.13%	0.74%
3-Month German Treasury Bill Yield	(0.87)	-0.00%	0.00%	-0.06%	-0.33%
Dubai Crude Oil Spot (\$/bbl)	52.09	-1.29%	2.34%	1.32%	62.12%
Gold Spot (\$/oz)	1,251.16	-0.75%	1.14%	-2.57%	17.88%

Upcoming Economic Releases

Philippines

Date	Event	Period	Prior
5/31/2017	Money Supply M3 SRF YoY	Apr	11.2%
5/24/2017	Budget Balance PHP	Apr	-61.5b

Developed Markets

Date	Country	Event	Period	Prior
5/24/2017	US	MBA Mortgage Applications	19-May	-4.1%
5/26/2017	Japan	National CPI YoY	Apr	0.2%
5/29/2017	EU	M3 Money Supply YoY	Apr	5.3%

Emerging Markets

Date	Country	Event	Period	Prior
5/31/2017	China	Manufacturing PMI	May	51.2
6/1/2017	India	Nikkei India PMI Mfg	May	52.5
6/2/2017	Indo	CPI YoY	May	4.17%

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