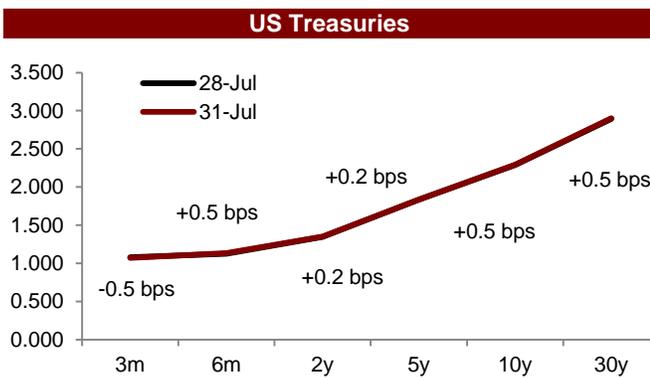
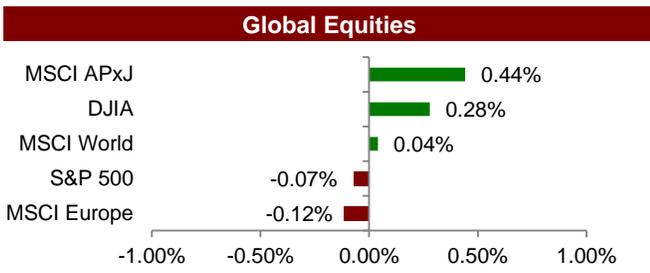
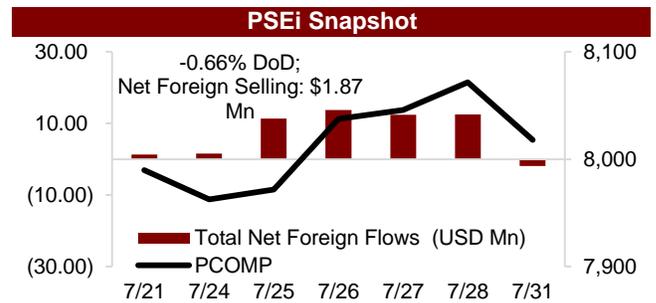


Global markets were mixed amid earnings reports, and ahead of a busy week of economic data releases. Asian shares were up on solid Chinese indicators, while European markets were down on anxiety over monetary policy tightening. Meanwhile, the dollar extended its decline on continuing political risks.

- ✓ The **local equities market** declined amid profit-taking after the index breached the 8,000 resistance level last week. The PSEi lost 0.66%, closing at 8,018.05.
- ✓ In the **local fixed income market**, prices rose on the back of strong demand for the 15 billion Treasury bill auction. Total tenders reached 31.9 billion, more than twice the amount of T-bills offered by the Bureau of Treasury. On average, yields went down by 14.14 bps, led by the short end of the curve which declined 27.69 bps.



- ✓ **US equities** were mixed as the DJIA hit record highs on the back of Boeing gains. Meanwhile, the S&P 500 was dragged marginally lower by tech and materials despite gains from the financial and energy sectors. The DJIA closed at 21,891.1 (+0.28%) while the S&P 500 was at 2,470.3 (-0.07%).
- ✓ **European stocks** closed marginally lower following positive economic data including lower unemployment, fast growth in retail sales, and strong industrial production: further fanning expectations of tighter monetary policy. The MSCI Europe fell 0.12% day-on-day to 127.54.
- ✓ **Asian shares** ended slightly higher after the release of solid Chinese July PMI data, as investors positioned ahead of a heavy week of economic data. The MSCI APxJ rose 0.44% to end at 529.23.
- ✓ **US Treasury yields** gained marginally ahead of various economic data releases this week, with market players awaiting the Wednesday announcement of the Fed's Treasury refunding plans for Q32017 for indications of the US government's funding plans after it begins paring bond purchases. Yields rose 0.23 bps on average, with 10-year yields up 0.53 bps to 2.294%.

- ✓ The **Philippine peso** strengthened amid dollar weakness after the release of lower-than-expected US economic data on GDP and wage growth. The peso rose by 0.22% closing at 50.46 level.
- ✓ The **US dollar** extended its decline against most major currencies, hitting a two-and-a-half-year low versus the Euro. The greenback's weakness comes from continuing political anxiety, and as economic data fail to boost confidence in the US. The DXY lost 0.42% to close at 92.863.

### Foreign Exchange

USD/PHP	Previous Close	50.570
	Close	50.460
EUR/USD	Previous Close	1.1751
	Indicative Rate	1.1738



## Key Indicators

YIELDS AND PRICES	31-Jul-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.19	-0.78%	-0.63%	-0.62%	-0.48%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.83	-0.20%	-0.01%	-0.40%	0.46%
ROP2021 (Price)	106.43	0.01	(0.07)	(0.07)	(1.93)
ROP2034 (Price)	134.34	0.29	(0.40)	0.13	3.87
3-Month US Treasury Yield	1.07	-0.01%	-0.10%	0.06%	0.91%
3-Month German Treasury Bill Yield	(0.67)	-0.07%	0.01%	0.15%	-0.15%
Dubai Crude Oil Spot (\$/bbl)	51.09	1.85%	9.14%	9.64%	59.01%
Gold Spot (\$/oz)	1,269.44	-0.02%	1.12%	2.25%	19.60%

## Upcoming Economic Releases

### Philippines

Date	Event	Period	Prior
8/1/2017	Nikkei Philippines PMI Mfg	July	53.9
8/4/2017	CPI YoY	July	2.8%

### Developed Markets

Date	Country	Event	Period	Prior
8/1/2017	US	Markit US Manufacturing PMI (Final)	July	53.2
8/1/2017	Japan	Nikkei Japan PMI Mfg (Final)	July	52.2
8/1/2017	Europe	GDP SA QoQ	2Q	0.6%

### Emerging Markets

Date	Country	Event	Period	Prior
8/1/2017	Thailand	CPI YoY	July	-0.05%
8/1/2017	China	Caixin China PMI Mfg	July	50.4
8/1/2017	India	Nikkei India PMI Mfg	July	50.9

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