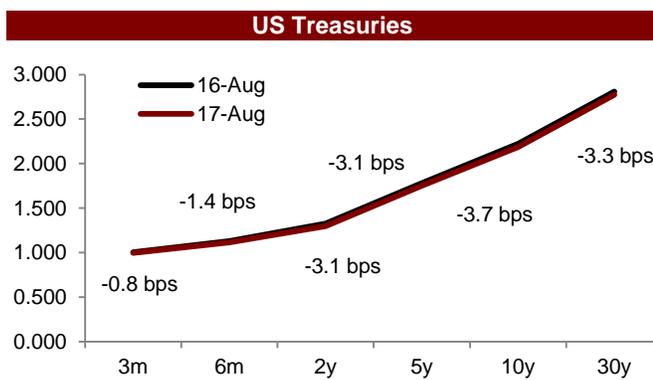
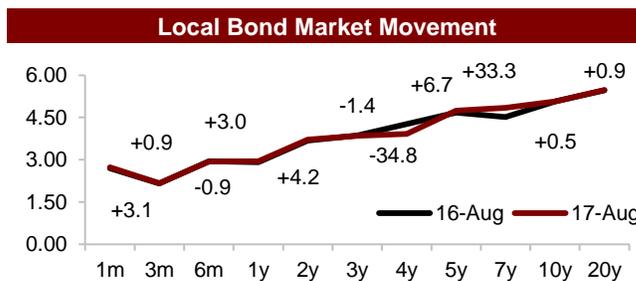
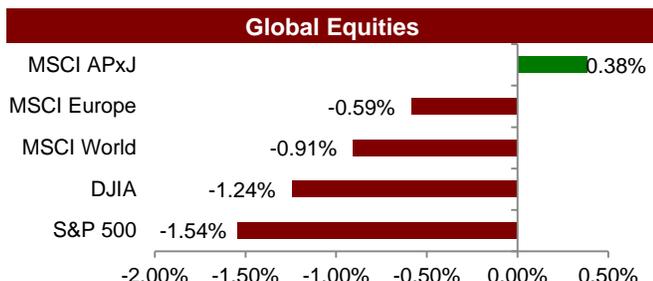
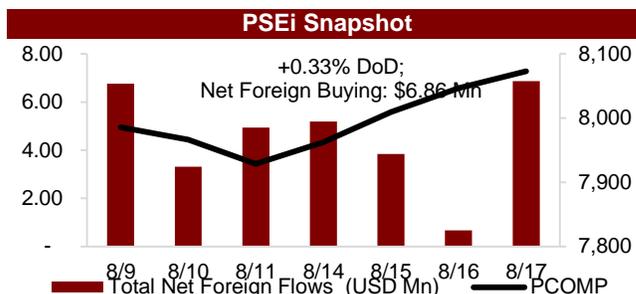


**Doubts about the success of the US economic agenda, and a terror attack in Barcelona drove investors to safe-haven assets—weakening global equity markets, but pushing US Treasury prices and the dollar upward.**

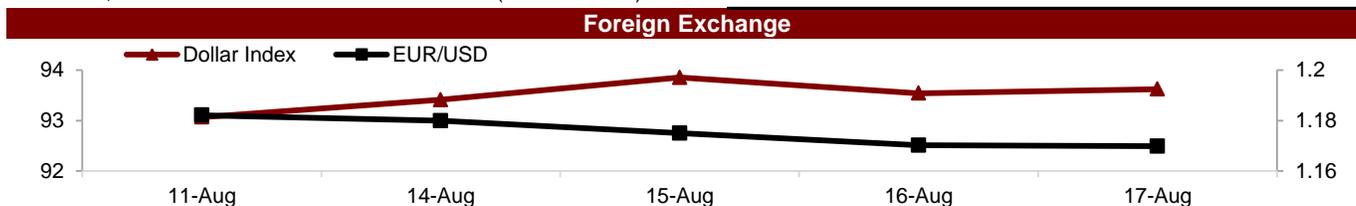
- ✓ The **local equities market** gained after the release of data showing stronger-than-expected 2Q17 GDP growth, and after the release of the US FOMC meeting minutes that were interpreted as showing a reduced chance of another interest rate increase. The PSEI rose by 26.16 points or 0.33%, closing at 8,072.75.
- ✓ In the **local fixed income market**, prices of government securities fell marginally amid risk-on investor sentiment, engendered by good GDP figures. On average, yields rose by 1.29 bps, led by the short end which gained 1.51 bps.



- ✓ **US equities** slipped as volatility heightened following developments in the domestic political landscape, with President Trump, having failed to decisively denounce the expression of racism and white supremacy, lost allies. The Dow lost 1.24% and ended at 21,750.73, and the S&P500 closed 1.54% lower at 2,430.01.
- ✓ **European equities** also suffered from the global risk-off sentiments, exacerbated by the vehicular attack in Barcelona. Investors largely shook off lower unemployment numbers in France, and retail spending logging ahead of expectations in the UK. The MSCI Europe was down 0.59% to 127.19.
- ✓ **Asian shares** inched higher, buoyed by the rally in tech stocks from good earnings report, and in metal-related names following higher commodity prices from a pullback in the dollar. The MSCI Asia Pacific ex-Japan was 0.38% to 526.08.
- ✓ **US Treasury yields** fell as investors moved to safe-haven assets, with political issues in the US compounded by an attack in Barcelona that killed 13 people. On average, yields fell 2.56 bps, with 10-year yields falling 3.67 bps to 2.19%.

- ✓ The **Philippine peso** declined for the ninth straight trading session due to climbing imports, which are expected to cause the country to post its first current-account deficit in 15 years. The USD/PHP gained 0.01% to 51.355.
- ✓ The **US dollar** traded sideways amid rising doubts that Trump will achieve his economic agenda, after his comments on clashes in Charlottesville spurred an exodus of business executives from his advisory councils, and fueled speculation that other officials, such as Chief Economic Advisor Gary Cohn, would leave. The DXY closed at 93.622 (+10.09% DoD).

Pair	Previous Close	Current Rate
USD/PHP	51.350	51.355
EUR/USD	1.1702	1.1738



## Key Indicators

YIELDS AND PRICES	17-Aug-17	DoD	WoW	MoM	YTD
91-Day Philippine Treasury Bill Yield (PDST-R2)	2.17	0.01%	0.01%	-0.61%	-0.50%
1-Year Philippine Treasury Bill Yield (PDST-R2)	2.94	0.03%	-0.12%	-0.28%	0.57%
ROP2021 (Price)	106.44	0.05	0.04	0.10	(1.92)
ROP2034 (Price)	134.65	0.13	0.13	0.75	4.18
3-Month US Treasury Yield	1.00	-0.01%	-0.03%	-0.04%	0.83%
3-Month German Treasury Bill Yield	(0.68)	0.00%	0.00%	-0.03%	-0.16%
Dubai Crude Oil Spot (\$/bbl)	50.36	1.23%	-2.35%	5.93%	56.74%
Gold Spot (\$/oz)	1,288.06	0.37%	0.13%	4.38%	21.35%

## Upcoming Economic Releases

### Philippines

Date	Event	Period	Prior
08/18-08/31	Budget Balance PHP	July	-90.9 Bn
8/31/2017	Bank Lending YoY	July	18.3%

### Developed Markets

Date	Country	Event	Period	Prior
8/18/2017	US	University of Michigan Sentiment Index	August	93.4
8/18/2017	Europe	Construction Output YoY / MoM	June	2.6% / -0.7%
8/21/2017	Japan	All Industry Activity Index MoM	June	-0.9%

### Emerging Markets

Date	Country	Event	Period	Prior
8/18/2017	Thailand	Foreign Reserves	11-Aug	\$190.9 Bn
8/18/2017	Malaysia	GDP YoY / QoQ	2Q	5.6% / 1.8%
8/22/2017	Mexico	GDP YoY / QoQ	2Q	1.8% / 0.6%

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