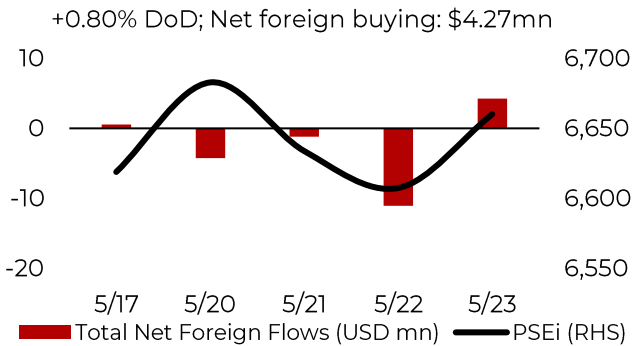


## Philippine Stock Exchange Index



	Level	DoD
PSEi	6,659.99	+0.80%
3-mo bond yield	5.79%	-4.54 bps
2-yr bond yield	6.29%	+0.23 bps
10-yr bond yield	6.71%	+1.37 bps
USDPHP	58.13	+0.12%
Oil (Brent, \$ / barrel)	81.36	-0.66%

**Bangko Sentral ng Pilipinas (BSP) Governor Eli Remolona** said that the BSP will only intervene in the foreign exchange market to control speculation. He added that the peso's depreciation will not prompt a rate hike. Governor Remolona reiterated that the BSP's future policy move will depend on local economic data and not on what the US Federal Reserve does.

**DMCI Holdings, Inc.'s (PSEi Ticker: DMC) unit, along with EEI Corporation, was awarded the Php5.1-billion contract to build connector roads for the Manila-Cavite Expressway (CAVITEX).** In line with this, DMC was tapped to construct the remaining segment of the CAVITEX C5 Link.

**Local equities** rebounded as investors hunted for bargains after a two-day market decline. The PSEi closed at 6,659.99 (+0.80% DoD).

**Local fixed income yields** closed mixed but fell on average as investors weighed BSP Governor Remolona's remarks that recent peso weakness would not trigger a rate hike. On average, yields fell by 1.08 bps, with the 2Y closing at 6.29% (+0.23 bps) and the 10Y closing at 6.71% (+1.37 bps).

The **Philippine peso** strengthened as investors further digested remarks from BSP Governor Remolona stating that the central bank will intervene only to control speculation on the currency. The USD/PHP pair closed at 58.13 (+0.12% DoD).

**US S&P flash Composite PMI jumped to 54.4 in May (April: 51.3), marking the highest level since April 2022.** The reading stayed above 50.0, indicating the continued expansion in the private sector. The services sector led the growth, while manufacturing had modest expansion.

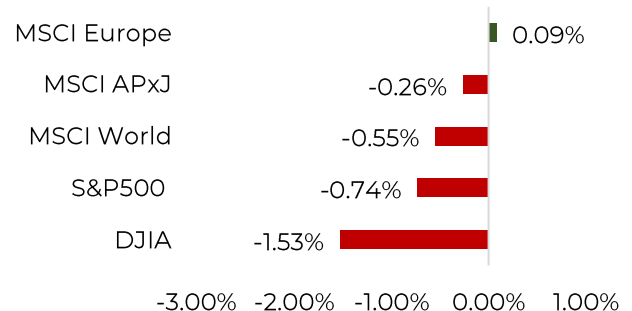
**US new home sales dropped by 4.7% MoM in April (March: revised +5.4%),** more than the expected -2.2% decline. The rise in mortgage rates above the 7% level in April weighed on demand. Meanwhile, the median price of new homes was up by 3.9% YoY.

**US equities** fell as the US PMI report in May showed a surge in input prices, suggesting inflation could pickup. This was despite optimism after tech giant Nvidia reported robust earnings forecast. The S&P 500 closed at 5,267.84 (-0.74% DoD) and the DJIA closed at 39,065.26 (-1.53% DoD).

**US Treasury yields** rose following the stronger-than-expected US S&P flash Composite PMI which jumped to its highest level since April 2022. On average, yields rose by 4.22 bps, with the 2Y closing at 4.94% (+6.70 bps) and the 10Y closing at 4.48% (+5.30 bps).

The **US dollar** strengthened following robust US business activity data, which supported delaying a potential US Fed rate cut. The DXY closed at 105.11 (+0.17% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,267.84	-0.74%
DJIA	39,065.26	-1.53%
3-mo US Treasury yield	5.42%	+0.10 bps
2-yr US Treasury yield	4.94%	+6.70 bps
10-yr US Treasury yield	4.48%	+5.30 bps
DXY	105.11	+0.17%

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