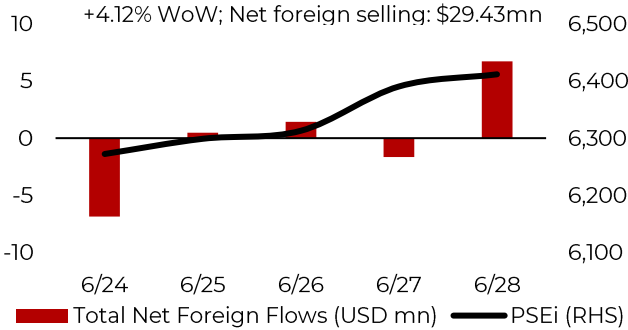


The Weekly Review

July 1, 2024

Philippine Stock Exchange Index



	Level	WoW
PSEi	6,411.91	+4.12%
3-mo bond yield	5.74%	+4.35 bps
2-yr bond yield	6.26%	-1.32 bps
10-yr bond yield	6.65%	-4.51 bps
USDPHP	58.61	-0.32%
Oil (Brent, \$ / barrel)	86.41	+1.37%

Local equities rebounded amid investors' bargain-hunting. Market sentiment was also boosted by slower inflation expectations and prospects of a policy rate cut by the Bangko Sentral ng Pilipinas (BSP) as early as August.

Top performers were GT Capital Holdings, Inc. (PSE Ticker: GTCAP; +11.91%), International Container Terminal Services, Inc. (ICT; +10.70%), and SM Prime Holdings, Inc. (SMPH; +10.12%). Meanwhile, Nickel Asia Corporation (PSE Ticker: NIKL; -2.88%), Bloomberry Resorts Corporation (BLOOM; -5.84%), and Monde Nissin Corporation (MONDE; -6.00%) were the laggards of the week.

▲ The PSEi closed at 6,411.91 (+4.12% WoW).

Local fixed income yields inched down as the BSP revised its inflation forecasts downward. However, investors remain divided on whether the BSP will cut rates on August.

▼ On average, yields fell by 1 bp, with the 2Y closing at 6.26% (-1 bps) and the 10Y closing at 6.65% (-5 bps).

The Philippine peso strengthened amid investors' profit taking after weakening to a 20-month low. This was also after the BSP reduced its inflation projections.

▼ The USD/PHP pair closed at 58.61 (-0.32% WoW).

US equities edged lower as big technology stocks pulled back from recent highs and investors reacted to the first presidential debate of President Joe Biden and former President Donald Trump. This was also following the release of core Personal Consumption Expenditures (PCE) inflation print of 2.6% YoY in May, which came in-line with expectations but still above the Fed's 2% target.

▼ S&P 500 closed at 5,460.48 (-0.08% WoW).

▼ DJIA closed at 39,118.86 (-0.08% WoW).

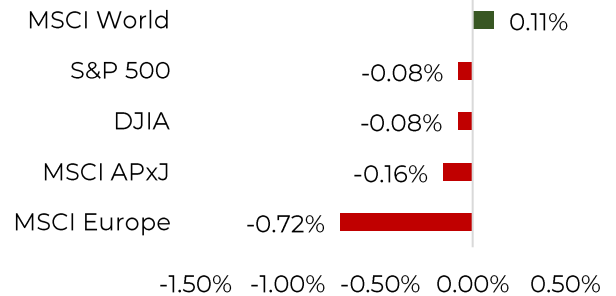
US Treasury yields rose as investors continued to weigh hawkish comments from Fed Governors Bowman and Cook. This was also amid the month-end bond index rebalancing.

▲ On average, yields rose by 8 bps, with the 2Y closing at 4.76% (+2 bps) and the 10Y closing at 4.4% (+14 bps).

The **US dollar strengthened** as investors weighed hawkish remarks from Fed officials. US Fed Governor Bowman reiterated the need for the policy rate to remain steady to beat inflation, while Fed Governor Cook said that the timing of rate cuts should be data dependent.

▲ The DXY closed at 105.87 (+0.07% WoW).

Global Stock Indices



	Level	WoW
S&P 500	5,460.48	-0.08%
DJIA	39,118.86	-0.08%
3-mo US Treasury yield	5.36%	-1.10 bps
2-yr US Treasury yield	4.76%	+2.00 bps
10-yr US Treasury yield	4.40%	+13.90 bps
DXY	105.87	+0.07%