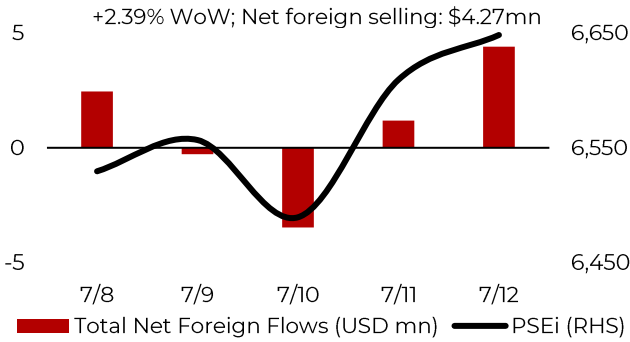


# The Weekly Review

July 15, 2024

## Philippine Stock Exchange Index



	Level	WoW
PSEi	6,648.23	+2.39%
3-mo bond yield	5.68%	-3.07 bps
2-yr bond yield	6.07%	-13.41 bps
10-yr bond yield	6.25%	-26.13 bps
USDPHP	58.38	-0.26%
Oil (Brent, \$ / barrel)	85.03	-1.74%

**Local equities soared** as the cooler-than-expected June US CPI inflation report boosted hopes for policy rate cuts this year. Investors also digested dovish remarks from Fed Chair Powell and Bangko Sentral ng Pilipinas (BSP) Governor Eli Remolona last week.

Top performers were JG Summit Holdings, Inc. (PSE Ticker: JGS; +7.78%), Century Pacific Food, Inc. (CNPF; +7.08%), and PLDT, Inc. (TEL; +6.46%). Meanwhile, Monde Nissin Corporation (PSE Ticker: MONDE; -3.34%), Bloomberry Resorts Corporation (BLOOM; -4.12%), and ACEN Corporation (ACEN; -4.94%) were the laggards of the week.

▲ The PSEi closed at 6,648.23 (+2.39% WoW).

**Local fixed income yields** continued to decline on hopes of an early rate cut from the BSP. Dovish remarks from the Fed Chair and cooler-than-expected US CPI inflation also pushed yields lower.

▼ On average, yields fell by 9 bps, with the 2Y closing at 4.45% (-15 bps) and the 10Y closing at 4.19% (-10 bps).

**The Philippine peso strengthened** as the softer-than-expected US jobs and CPI inflation data supported bets of Fed policy easing this year. This was also after dovish comments from Fed Chair Powell.

▼ The USD/PHP pair closed at 58.38 (-0.26% WoW).

**US equities rose** as the market's hopes for policy rate cuts by the US Federal Reserve were boosted by the Consumer Price Index (CPI) inflation print cooling to 3.0% in June (May: 3.3%) and the unemployment rate rising to 4.1% in June (May: 4.0%). Investors also weighed Fed Chair Jerome Powell's speech that acknowledged the progress on inflation but did not give signals on rate cut timing.

▲ S&P 500 closed at 5,615.35 (+0.87% WoW).

▲ DJIA closed at 40,000.90 (+1.59% WoW).

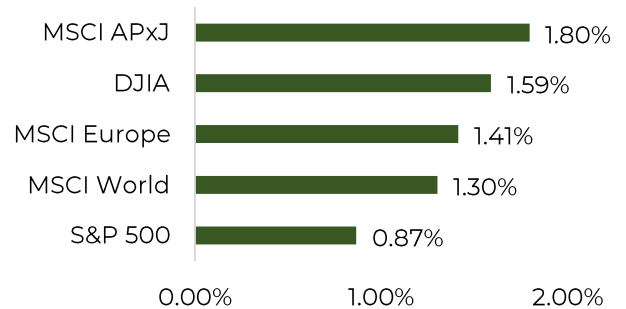
**US Treasury yields ended lower** as investors cheered the June CPI print which decelerated to 3.0%, below the consensus estimate of 3.1%.

▼ On average, yields fell by 9 bps, with the 2Y closing at 4.45% (-15 bps) and the 10Y closing at 4.19% (-10 bps).

The **US dollar weakened** as investors weighed the weaker-than-expected inflation data release which supported the market's expectation of a potential rate cut in September. Traders also digested US Fed Chair Powell's remarks which acknowledged the progress on inflation but did not hint on the rate cut timing.

▼ The DXY closed at 104.09 (-0.75% WoW).

## Global Stock Indices



	Level	WoW
S&P 500	5,615.35	+0.87%
DJIA	40,000.90	+1.59%
3-mo US Treasury yield	5.35%	-4.00 bps
2-yr US Treasury yield	4.45%	-15.40 bps
10-yr US Treasury yield	4.19%	-9.50 bps
DXY	104.09	-0.75%