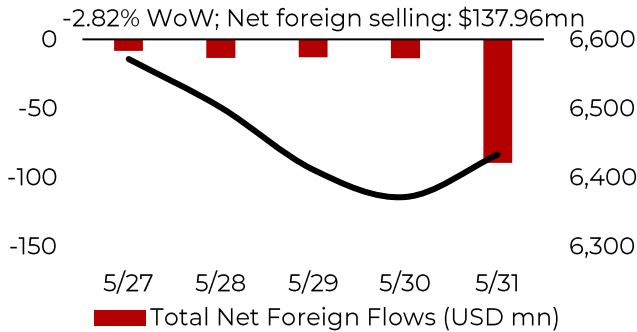


The Weekly Review

June 3, 2024

Philippine Stock Exchange Index



Local equities dropped after the Bangko Sentral ng Pilipinas (BSP) said that monetary policy may remain restrictive amid upside risks to inflation. The BSP also noted that the country's economic growth may fall short of the government's target in 2024 and 2025.

Top performers were DMCI Holdings, Inc. (PSE Ticker: DMC; +8.18%), PLDT Inc. (TEL; +4.23%), and Century Pacific Food, Inc. (CNPFI; +4.02%). Meanwhile, Aboitiz Equity Ventures, Inc. (PSE Ticker: AEW; -7.03%), Ayala Land, Inc. (ALI; -9.01%), and Metropolitan Bank & Trust Company (MBT; -10.07%) were the laggards of the week.

▼ The PSEi closed at 6,433.10 (-2.82% WoW).

Local fixed income yields closed flat as investors digested mixed developments. These included dovish remarks from Finance Secretary Recto saying that he expects a potential 150-bp cut in the next two years as well as the BSP stating local inflation may breach the 2-4% target amid lingering upside risks to inflation.

▼ On average, yields closed flat, with the 2Y closing at 6.31% (0 bps) and the 10Y closing at 6.75% (+3 bps).

The Philippine peso weakened as investors weighed hawkish remarks from various Fed officials.

▲ The USD/PHP pair closed at 58.51 (+0.55% WoW).

	Level	WoW
PSEi	6,433.10	-2.82%
3-mo bond yield	5.74%	-5.25 bps
2-yr bond yield	6.31%	-0.21 bps
10-yr bond yield	6.75%	+3.45 bps
USDPHP	58.51	+0.55%
Oil (Brent, \$ / barrel)	81.62	-0.61%

US equities declined after the 1Q24 US Gross Domestic Product (GDP) growth was revised lower to 1.3% from previously 1.6%. Investors also continued to weigh various Fed officials' higher-for-longer remarks.

▼ S&P 500 closed at 5,277.51 (-0.51% WoW).

▼ DJIA closed at 38,686.32 (-0.98% WoW).

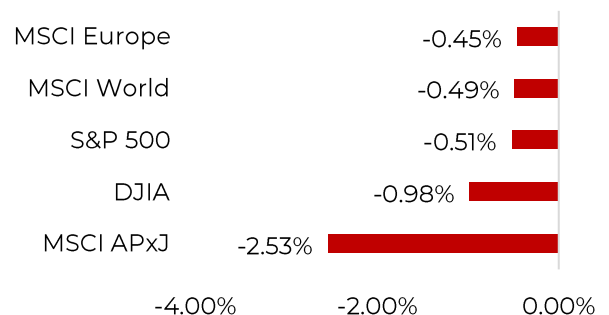
US Treasury yields were mixed following the April core personal consumption expenditures (PCE) inflation which was steady at 2.8% YoY and came in line with market's expectations. Investors also digested hawkish remarks from several Fed officials and weak demand from the \$70 billion 5-year note auction.

▲ On average, yields rose by 1 bp, with the 2Y closing at 4.88% (-8 bps) and the 10Y closing at 4.50% (+3 bps).

The **US dollar slightly weakened** following the downward revision in 1Q24 US GDP growth and MoM deceleration in core PCE inflation data. This was offset by the Fed acknowledging an uptick in employment and a modest pace of inflation in their latest beige book.

▼ The DXY closed at 104.67 (-0.05% WoW).

Global Stock Indices



	Level	WoW
S&P 500	5,277.51	-0.51%
DJIA	38,686.32	-0.98%
3-mo US Treasury yield	5.39%	-1.90 bps
2-yr US Treasury yield	4.88%	-7.50 bps
10-yr US Treasury yield	4.50%	+3.40 bps
DXY	104.67	-0.05%