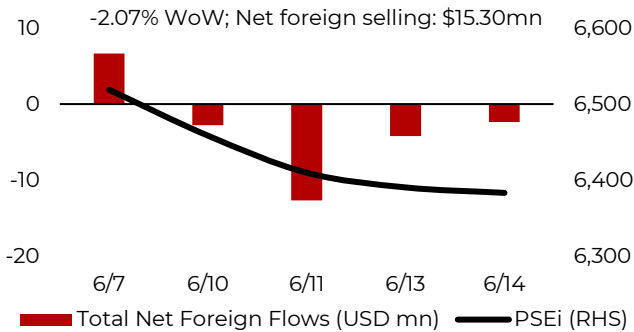


The Weekly Review

June 18, 2024

Philippine Stock Exchange Index



	Level	WoW
PSEi	6,383.70	-2.07%
3-mo bond yield	5.67%	-3.69 bps
2-yr bond yield	6.29%	+0.58 bps
10-yr bond yield	6.70%	+0.57 bps
USDPHP	58.65	+0.22%
Oil (Brent, \$ / barrel)	84.25	+3.21%

As of June 14, 2024

Local equities slumped amid cautious sentiment over the uncertainty on the direction of policy rates. This was after the US Fed slashed its policy rate cut projection for the year. Moreover, Finance Secretary Recto said that the Bangko Sentral ng Pilipinas (BSP) may only ease monetary policy after the Fed's first cut.

Top performers were Manila Electric Company (PSE Ticker: MER; +3.58%), Alliance Global Group, Inc. (AGI; +0.11%), and LT Group, Inc. (LTG; +0.00%). Meanwhile, Jollibee Foods Corporation (PSE Ticker: JFC; -4.78%), JG Summit Holdings, Inc. (JGS; -6.50%), and Wilcon Depot, Inc. (WLCON; -9.84%) were the laggards of the week.

▼ The PSEi closed at 6,383.70 (-2.07% WoW).

Local fixed income yields were mixed but fell on average as investors weighed mixed signals from BSP Governor Remolona and Finance Secretary Recto on rate cuts.

▼ On average, yields fell by 1 bp, with the 2Y closing at 6.29% (+1 bp) and the 10Y closing at 6.70% (+1 bp).

The Philippine peso weakened amid tempered rate cut bets after the US Federal Reserve signaled only one rate cut this year from previously three.

▲ The USD/PHP pair closed at 58.65 (+0.22% WoW).

US equities closed mixed as investors cheered the cooler-than-expected May inflation reports, including the Consumer Price Index (CPI) inflation of 3.3% YoY and Producer Price Index (PPI) of 2.2% YoY. However, sentiment was weighed down by the US Fed's latest guidance of only one 25-bp cut this year, down from previously three.

▲ S&P 500 closed at 5,431.60 (+1.58% WoW).

▼ DJIA closed at 38,589.16 (-0.54% WoW).

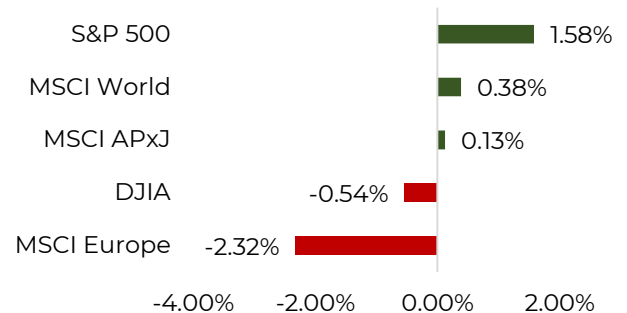
US Treasury yields fell after the slower-than-expected US inflation readings for May boosted hopes of a rate cut from the US Federal Reserve.

▼ On average, yields fell by 15 bps, with the 2Y closing at 4.71% (-18 bps) and the 10Y closing at 4.22% (-21 bps).

The **US dollar strengthened** as investors digested remarks from US Fed Chair Powell who said that rates may remain unchanged until there is a more definitive decline in inflation or a rise in unemployment.

▲ The DXY closed at 105.55 (+0.63% WoW).

Global Stock Indices



	Level	WoW
S&P 500	5,431.60	+1.58%
DJIA	38,589.16	-0.54%
3-mo US Treasury yield	5.39%	-1.50 bps
2-yr US Treasury yield	4.71%	-18.20 bps
10-yr US Treasury yield	4.22%	-21.20 bps
DXY	105.55	+0.63%

As of June 14, 2024

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