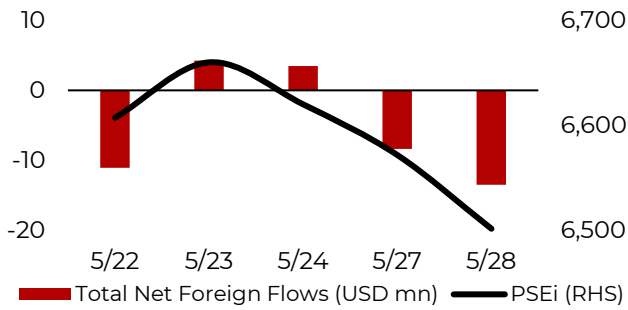


## Philippine Stock Exchange Index

-1.07% DoD; Net foreign selling: \$13.51mn



	Level	DoD
PSEi	6,501.34	-1.07%
3-mo bond yield	5.72%	-3.09 bps
2-yr bond yield	6.29%	-0.93 bps
10-yr bond yield	6.72%	-2.57 bps
USDPHP	57.97	-0.24%
Oil (Brent, \$ / barrel)	84.22	+1.35%

The **Bangko Sentral ng Pilipinas (BSP)** projects that the Philippine gross domestic product growth could fall below the targets of 6-7% for 2024 and 6.5-7.5% for 2025. Weaker demand due to higher global oil prices and elevated interest rates could weigh on growth. Nonetheless, improving labor market conditions and stable infrastructure spending may drive productivity.

**PLDT Inc. (PSEi Ticker: TEL) has agreed to discuss a collective bargaining agreement (CBA) with its labor union, effectively averting a planned strike.** The parties' negotiations will start by September and will cover the 2024-2027 CBA.

**Local equities** dropped as investors digested signals from the BSP that monetary policy could be kept restrictive amid prevailing upside risks to inflation. The PSEi closed at 6,501.34 (-1.07% DoD).

**Local fixed income yields** declined ahead of the release of the US Personal Consumption Expenditures (PCE) data for April. On average, yields fell by 1.72 bps, with the 2Y closing at 6.29% (-0.93 bps) and the 10Y closing at 6.72% (-2.57 bps).

The **Philippine peso** strengthened ahead of the US PCE data release this Friday. Investors also weighed remarks from the BSP stating that monetary policy may remain restrictive. The USD/PHP pair closed at 57.97 (-0.24% DoD).

**US Consumer Confidence Index jumped to 102.0 in May (April: 97.5), according to Conference Board survey.** This was bolstered by optimism on the labor market amid continued positive job growth and rising wages. However, consumers' 12-month inflation expectations rose to 5.4% (April: 5.3%).

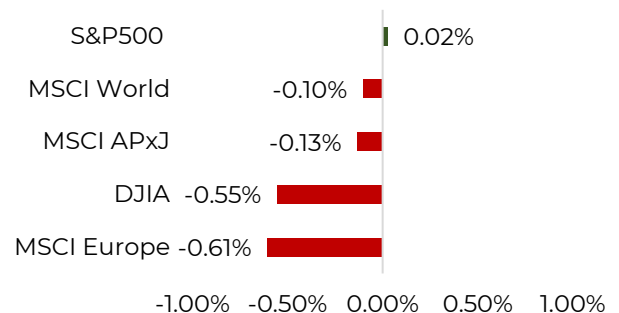
**Dutch central bank President Klaas Knot said that the European Central Bank (ECB) can gradually lower interest rates amid easing eurozone inflation.** He added that the ECB can focus on quarterly meetings to decide on future rate cuts when new economic forecasts are published.

**US equities** closed mixed as investors remained cautious ahead of the release of April PCE inflation in the US. The S&P 500 closed at 5,306.04 (+0.02% DoD) and the DJIA closed at 38,852.86 (-0.55% DoD).

**US Treasury yields** rose ahead of the April US PCE report on Friday. Traders also exhibited weaker appetite for 5-year notes in a recent \$70 billion auction. On average, yields rose by 5.17 bps, with the 2Y closing at 4.98% (+3.1 bps) and the 10Y closing at 4.55% (+8.5 bps).

The **US dollar** was flat in anticipation of the release of the Fed's preferred inflation gauge later this week. The DXY closed at 104.61 (+0.02% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,306.04	+0.02%
DJIA	38,852.86	-0.55%
3-mo US Treasury yield	5.41%	-0.40 bps
2-yr US Treasury yield	4.98%	+3.10 bps
10-yr US Treasury yield	4.55%	+8.50 bps
DXY	104.61	+0.02%