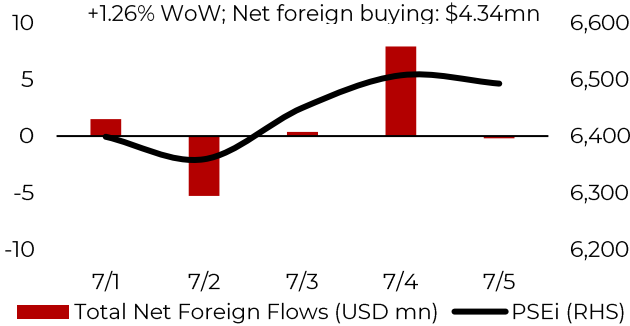


The Weekly Review

July 8, 2024

Philippine Stock Exchange Index



	Level	WoW
PSEi	6,492.75	+1.26%
3-mo bond yield	5.72%	-3.25 bps
2-yr bond yield	6.21%	-4.83 bps
10-yr bond yield	6.51%	-9.28 bps
USDPHP	58.53	-0.14%
Oil (Brent, \$ / barrel)	86.54	+0.15%

Local equities ended higher on the back of bargain hunting and as investors digested the slower-than-expected local inflation print for June. US Fed Chair Powell's remark that the US is getting back on a "disinflationary path" also lifted investors' sentiment.

Top performers were BDO Unibank, Inc. (PSE Ticker: BDO; +8.27%), Monde Nissin Corporation (MONDE; +5.11%), and Jollibee Foods Corporation (JFC; +3.54%). Meanwhile, GT Capital Holdings, Inc. (PSE Ticker: GTCAP; -4.52%), LT Group, Inc. (LTG; -4.62%), and Aboitiz Equity Ventures, Inc. (AEV; -4.64%) were the laggards of the week.

▲ The PSEi closed at 6,492.75 (+1.26% WoW).

Local fixed income yields declined as Philippine inflation decelerated to 3.7% in June, below the market expectation of 3.9%. Dovish comments from the Bangko Sentral ng Pilipinas and Fed officials also pushed yields lower.

▼ On average, yields fell by 7 bps, with the 2Y closing at 6.21% (-5 bps) and the 10Y closing at 6.51% (-14 bps).

The Philippine peso strengthened as traders weighed dovish remarks from US Fed Chairman Powell and cooling US labor data.

▼ The USD/PHP pair closed at 58.53 (-0.14% WoW).

US equities rose as weaker labor data and slowing services activity fueled hopes of a Fed rate cut. Dovish comments from Fed Chair Powell also further boosted rate cut expectations.

- ▲ S&P 500 closed at 5,567.19 (+1.95% WoW).
- ▲ DJIA closed at 39,375.87 (+0.66% WoW).

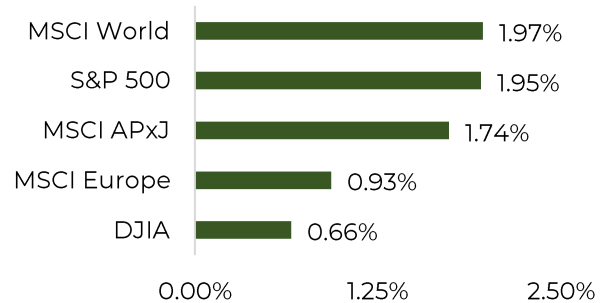
US Treasury yields fell after the weaker-than-expected private payrolls, moderating wage growth, and uptick in unemployment rate pointed to a cooling US labor market and increased bets of a Fed rate cut within the year.

▼ On average, yields fell by 9 bps, with the 2Y closing at 4.61% (-15 bps) and the 10Y closing at 4.28% (-12 bps).

The **US dollar weakened** as investors digested a slew of softer US economic data which buoyed hopes of a rate cut from the US Fed. US unemployment rose to 4.1%, while ISM Services Purchasing Managers' Index data fell into contractionary territory at 48.8 in June.

▼ The DXY closed at 104.88 (-0.94% WoW).

Global Stock Indices



	Level	WoW
S&P 500	5,567.19	+1.95%
DJIA	39,375.87	+0.66%
3-mo US Treasury yield	5.39%	+2.50 bps
2-yr US Treasury yield	4.61%	-14.80 bps
10-yr US Treasury yield	4.28%	-11.80 bps
DXY	104.88	-0.94%