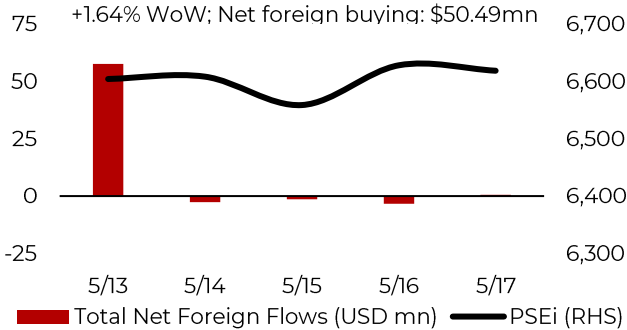


The Weekly Review

May 20, 2024

Philippine Stock Exchange Index



	Level	WoW
PSEi	6,618.69	+1.64%
3-mo bond yield	5.80%	+1.73 bps
2-yr bond yield	6.36%	-6.93 bps
10-yr bond yield	6.61%	-23.95 bps
USDPHP	57.62	+0.35%
Oil (Brent, \$ / barrel)	83.98	+1.44%

Local equities climbed following the decision of the Bangko Sentral ng Pilipinas (BSP) to maintain its key policy rate at 6.5%. This was also amid increased US Fed rate cut bets after US Consumer Price Index (CPI) inflation cooled to 3.4% YoY in April.

Top performers were Globe Telecom, Inc. (PSE Ticker: GLO; +11.73%), Converge Information And Communications Technology Solutions, Inc. (CNVRG; +10.81%), and SM Prime Holdings, Inc. (SMPH; +9.16%). Meanwhile, International Container Terminal Services, Inc. (PSE Ticker: ICT; -3.36%), Century Pacific Food, Inc. (CNPF; -4.79%), and Aboitiz Equity Ventures, Inc. (AEV; -6.04%) were the laggards of the week.

▲ The PSEi closed at 6,618.69 (+1.64% WoW).

Local fixed income yields fell amid dovish remarks from BSP Governor Remolona stating potential rate cuts in 3Q24 and 4Q24.

▼ On average, yields fell by -8 bps, with the 2Y closing at 6.36% (-7 bps) and the 10Y closing at 6.61% (-24 bps).

The Philippine peso weakened as investors continued to weigh hawkish remarks from several Fed officials. This was also following dovish remarks from BSP Governor Remolona.

▲ The USD/PHP pair closed at 57.62 (+0.35% WoW).

US equities rallied after the US CPI inflation eased to 3.4% in April (March: 3.5%), sparking renewed hopes of potential rate cuts from the US Federal Reserve.

- ▲ S&P 500 closed at 5,303.27 (+1.54% WoW).
- ▲ DJIA closed at 40,003.59 (+1.24% WoW).

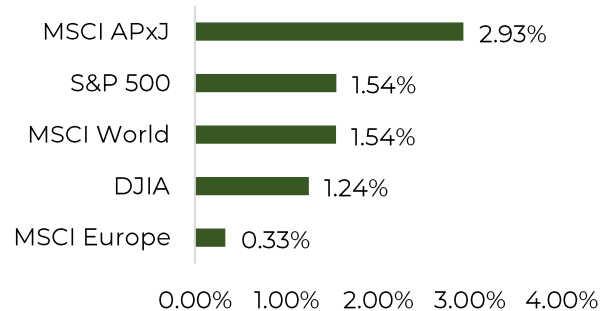
US Treasury yields fell as traders digested the release of April US inflation data which buoyed hopes of rate cuts as early as September. Investors also weighed US Fed Chair Powell's remarks that inflation is still expected to ease and that a rate hike is unlikely.

▼ On average, yields fell by 5 bps, with the 2Y closing at 4.83% (-4 bps) and the 10Y closing at 4.42% (-7 bps).

The **US dollar weakened** as easing US inflation data fueled rate cut optimism. US CPI inflation eased to 0.3% MoM in April, settling below consensus expectations.

- ▼ The DXY closed at 104.45 (-0.81% WoW).

Global Stock Indices



	Level	WoW
S&P 500	5,303.27	+1.54%
DJIA	40,003.59	+1.24%
3-mo US Treasury yield	5.41%	0.00 bps
2-yr US Treasury yield	4.83%	-4.10 bps
10-yr US Treasury yield	4.42%	-7.40 bps
DXY	104.45	-0.81%

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