



WEEKLY REVIEW

(05/29/23 – 06/02/23)

What Happened

- Global financial markets gained on the extension of the debt limit deadline to Jan 1, 2025. Furthermore, expectations of a pause in Fed rate hikes were strengthened by dovish statements from Fed officials and mixed US jobs reports. The unexpected increase in the US unemployment rate despite an increase in job vacancies was taken as a sign of cooling market conditions.
 - Employers added 339,000 jobs in May beating expectations of 195,000.
 - May US Unemployment rate rose to 3.7% from 3.4% in April.
- Week on week:
 - The 10-Yr US Treasury rate closed lower at 3.70% from 3.80%.
 - The 10-Yr PHP benchmark yield closed lower at 5.84% from 5.94%.
 - The S&P 500 rose by 1.83% to 4,282.37
 - The PHP closed weaker versus the USD at 55.89 from 55.79
- Local equities bucked the trend as the PSEi marginally fell by 0.28% to 6,512.01 following foreign sell-off from MSCI rebalancing.

What to Expect

- It will be a quiet week of data in the US with only ISM services to headline until the release of CPI report on the 13th of June.
- The recent announcement of Saudi's 1 million barrel-a-day reduction in July could impact inflation prospects and affect local asset prices as the Philippines is known for its oil import dependency.
- Local markets will watch out for the Philippine May inflation print which is expected to register at 6.1% vs. April's 6.6%.