



WEEKLY REVIEW

(06/05/23 – 06/09/23)

What Happened

- Bad news was good news for US equities as weaker than expected data fueled hopes that the Fed's rate hiking cycle is ending. On the other hand, global bond yields rose in reaction to the surprise hikes from the Australian and Canadian central banks.
 - Both May S&P and ISM services PMI came in lower than expected at 54.9 (vs 55.10) and 50.30 (vs 52.40), respectively.
 - Jobless claims ended at 261k, higher than the market's 235k estimate.
 - Both Reserve Bank of Australia (RBA) and Bank of Canada raised the policy rates by 0.25%
- Week on week:
 - The S&P 500 rose by 0.39% to 4,298.86.
 - The 10-Yr US Treasury rate closed higher at 3.74% from 3.70%.
 - The 10-Yr PHP benchmark yield closed higher at 5.91% from 5.84.
 - The PHP closed weaker versus the USD at 56.05 from 55.89.
- Local equity prices ended flat due to the absence of positive leads. The PSEI marginally declined by 0.07% to close at 6,507.15.

What to Expect

- All eyes on the US CPI release on June 13 and the upcoming FOMC meeting on June 15. May inflation is expected to print lower at 4.1% YoY, strengthening the case for a pause on the 15th. If inflation comes out higher than expected, a rate hike might be back on the table.