



BAIPHIL MARKET WATCH

01 July
2026

Legend

- Improvement / Up
- Deterioration / Down
- No Movement

FINANCIAL MARKETS AT A GLANCE



Currency Exchange ¹	Current	Previous
USD/PHP	61.3600	61.1700
USD/JPY	162.3400	161.9400
USD/CNY	6.7856	6.7942
EUR/USD	1.1393	1.1422
GBP/USD	1.3231	1.3257

PHP BVAL Reference Rates ²	Current	Previous
30-Day	4.9374	4.9221
91-Day	5.1772	5.1865
180-Day	5.6079	5.6050
1-Year	5.9480	5.9601
3-Year	6.5023	6.5007
5-Year	6.7542	6.7430
10-Year	6.9112	6.9267

Domestic Stock Index ³	Current	Previous
PSEi	6,037.17	6,133.41
Trade Value (Php B)	6.743	5.167

Stock Index ⁴	Current	Previous
NIKKEI 225	70,062.32	69,468.11
FTSE 100	10,497.12	10,484.22
DOW JONES	52,319.20	52,182.74
S&P 500	7,499.36	7,440.43
NASDAQ	26,213.72	25,820.14

Various ^{5/6}	Current	Previous
Brent Crude (USD/bbl)	73.85	73.15
3-M US Treasury Yield	3.87%	3.87%
5-Y US Treasury Yield	4.19%	4.14%
10-Y US Treasury Yield	4.44%	4.38%



PHILIPPINES



- ✓ **PSEi falls below 6,100 on geopolitical woes.** Local stocks retreated on Tuesday as lingering geopolitical tensions overseas and concerns over the domestic economic outlook dampened investor sentiment. The benchmark Philippine Stock Exchange Index (PSEi) dropped 1.57 percent, or 96.24 points, to close at 6,037.17, slipping back below the 6,100 level. According to Philstocks Financial Inc., investors remained cautious as the market continued to grapple with external risks and the absence of fresh positive catalysts. The lack of a strong market driver led investors to trim positions, causing broad-based losses across sectors. Trading activity remained relatively active, with net value turnover reaching P6.45 billion. On the other hand, foreign investors stayed on the sidelines and ended the day as net sellers with outflows amounting to P342.22 million.
<https://business.inquirer.net/598073/psei-falls-below-6100-on-geopolitical-woes>
- ✓ **Peso weakens on mixed US-Iran signals.** The peso weakened anew against the dollar on Tuesday amid conflicting signals from the United States and Iran about the resumption of peace talks. The currency fell by 19 centavos to close at P61.36 versus the greenback from P61.17 on Monday, based on Bankers Association of the Philippines data posted on its website. "The dollar-peso closed a bit higher, mostly on month-end buying and safe-haven demand due to conflicting signals from US and Iran, casting doubts on negotiations to end the war," a trader said by phone. The peso was also dragged by a weaker Japanese yen on Tuesday, Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message. The steadily climbing dollar pushed the yen down to levels not seen since 1986 on Tuesday, stoking worries that direct intervention from Tokyo was near, if perhaps not immediate, and also putting the euro under pressure, Reuters reported.
<https://bworldonline.com/banking-finance/2026/07/01/760230/peso-weakens-on-mixed-us-iran-signals/>
- ✓ **Bond yields go down as oil's drop eases inflation worries.** The government made a full award of the reissued Treasury bonds (T-bonds) it offered on Tuesday at a lower average yield as the drop in oil prices amid news of efforts to come up with a peace deal to end the Middle East conflict eased inflation concerns. The Bureau of the Treasury (BTr) borrowed P30 billion as planned via the reissued seven-year bonds as total bids reached P65.135 billion or more than twice the amount on offer. It said it sold its target amount as the issue fetched an average rate that was lower than the previous level awarded. The reissued bonds, which have a remaining life of three years and three months, were awarded at an average rate of 6.58%. Accepted yields ranged from 6.5% to 6.61%. The average rate of the reissued papers went down by 72.7 basis points (bps) from the 7.307% fetched for the series' last award on June 9 and was also 42 bps lower than the 7% coupon for the issue. However, it was 3.2 bps higher than the 6.548% fetched for the same bond series and 7.9 bps above the 6.501% quoted for the three-year bond — the benchmark tenor closest to the remaining life of the papers on offer — at the secondary market before Tuesday's auction, based on the PHP Bloomberg Valuation Service Reference Rates data provided by the BTr. A bond trader said a full award was made as the average yield fetched for the issue was well within market expectations. "Spreads were considerably tighter compared to previous weeks

as the tenor is shorter," the trader said in a text message. "Furthermore, low market activity in the morning did not push yields much higher, remaining within market activity."

<https://bworldonline.com/banking-finance/2026/07/01/760232/bond-yields-go-down-as-oils-drop-eases-inflation-worries/>

- ✓ **Philippine central bank estimates June annual inflation in range of 6% to 7%.** The Philippine inflation rate was likely to fall within a range of 6.0% to 7.0% in June, the central bank said on Tuesday, reflecting lower prices of major food items and higher electricity rates. "The BSP will remain vigilant and guided by incoming data, particularly on inflation and growth prospects. It will continue to monitor recent developments in the Middle East for their implications for inflation and economic activity," the central bank said in a statement. Annual inflation was 6.8% in May.
<https://bworldonline.com/top-stories/2026/06/30/760148/philippine-central-bank-estimates-june-annual-inflation-in-range-of-6-to-7/>
- ✓ **Philippine banks reported drop in foreign currency loans.** Companies scaled back borrowing from Philippine banks' foreign currency funds in the first quarter, pulling total loans down to \$15.44 billion as high global interest rates made dollar debt increasingly expensive. According to the latest data from the Bangko Sentral ng Pilipinas (BSP), outstanding foreign currency deposit unit (FCDU) loans slipped in the first three months of the year from the \$15.56 billion recorded at the end of December 2025. The contraction was primarily driven by a drop in credit extended to non-residents, which fell to \$5 billion from \$5.17 billion in the previous quarter. Non-resident obligations accounted for 32.4 percent of the total FCDU portfolio. The central bank noted that outstanding loans during the quarter reflected "\$8.25 billion in new loans and \$8.36 billion in loan payments." This net payment position directly contributed to the reduction in outstanding balances. Most loans carried medium- to long-term maturities of over one year. These long-term obligations accounted for 77.1 percent of the total FCDU loan portfolio as of end-March, down from the 79.2 percent share recorded in the previous quarter. Complementing the loan data, FCDU deposit liabilities grew to a preliminary \$60.77 billion at end-March, marking a 1.6 percent increase from the \$59.83 billion recorded in December 2025. Ruben Carlo O. Asuncion, chief economist at Union Bank of the Philippines (UnionBank), said the first-quarter drop in FCDU loans could be attributed to a slowdown in foreign borrowing demand "amid still-cautious global conditions and elevated US dollar borrowing costs early in the year."
<https://mb.com.ph/2026/06/30/philippine-banks-reported-drop-in-foreign-currency-loans>
- ✓ **Philippine trade gap widens to \$5.48B in May.** The country's trade deficit widened 50.5 percent to \$5.48 billion in May as the import bill remained elevated three months into the Middle East war, the Philippine Statistics Authority (PSA) reported on Tuesday. This marked the fourth straight month of year-on-year widening, although the deficit narrowed from the revised all-time high of \$6.40 billion recorded in April. Imports grew nearly three times faster than exports, climbing 21.9 percent to \$13.36 billion, while exports rose 7.6 percent to \$7.87 billion.
<https://business.inquirer.net/598030/philippine-trade-gap-widens-to-5-48b-in-may>
- ✓ **Electronics lift PH factory gate prices in May.** Factory gate prices in the Philippines rose by 2.9 percent in May, faster than the 2.6 percent increase in April and a reversal of the 0.3 percent contraction recorded a year earlier, the Philippine Statistics Authority (PSA) said. The increase was driven mainly by higher prices in the manufacture of computer, electronic, and optical products, which grew by 5.9 percent from 4.4 percent in April and accounted for more than half of the acceleration in the Producers Price Index. Basic metals and chemicals also contributed to the increase, rising by 5.4 percent and 3.9 percent, respectively. Food manufacturing prices grew by 1.3 percent, slower than April's 1.5 percent, as steeper declines in vegetable and animal oils and fats partly offset increases in fish processing, other food products, and grain mill products.
<https://malaya.com.ph/business/business-news/electronics-lift-ph-factory-gate-prices-in-may/>
- ✓ **Philippine Manufacturing Activity Rises for 2nd Month.** The S&P Global Philippines Manufacturing PMI edged up to 50.9 in June 2026 from 50.8 in May, marking a second consecutive month of expansion in the manufacturing sector. Growth in new business was sustained, with output rising for a second month, although the pace of expansion softened. The downturn in new export orders also eased significantly. Manufacturers raised their purchases of raw materials and semi-finished items for the first time in four months. At the same time, employment levels were unchanged, marking a stabilization after workforce reductions in April and May. Backlogs rose for the first time in three months, pointing to renewed pressure on capacity. In addition, lead times lengthened to the least marked extent since last December. Inflationary pressures also eased, offering some relief to manufacturers. Nonetheless, confidence fell to its lowest since January, indicating that firms remain cautious about the outlook despite the sector's improving momentum.
<https://tradingeconomics.com/philippines/manufacturing-pmi/news/563161>
- ✓ **Philippines beats ASEAN peers on tax effort but trails APAC average.** According to the Paris-based Organisation for Economic Co-operation and Development's (OECD) Revenue Statistics in Asia-Pacific 2026 report, the Philippines' tax-to-GDP ratio clocked in at 18.1 percent in 2024, falling just short of the regional average of 19.7 percent. However, the Philippines' performance remained significantly stronger than the Association of Southeast Asian Nations (ASEAN) average of 14 percent. Specifically, the Philippines posted a higher ratio than Vietnam (17.2 percent), Thailand (17.1 percent), Singapore (13.4 percent), Malaysia (13 percent), Laos (12.7 percent), Cambodia (12.5 percent), and Indonesia (11.8 percent). Within the broader regional context, only the high-income East Asian economies of Japan (33.7 percent) and South Korea (25.3 percent) truly dwarfed the Philippine figure. However, the country's fiscal flexibility remains constrained by a restrictive local tax system. Per the OECD's assessment, local governments in the Philippines operate under a "narrow range of taxes under their jurisdiction, relying mainly on property taxes and taxes on income and profits." Despite these local limitations, the Philippines holds a unique advantage in non-tax income. The OECD found that the Philippines was the "only economy in APAC where other property income accounted for the largest share, at 45.3 percent of non-tax revenue." Of the ₱722.7 billion in non-tax revenues collected in 2024, ₱327.3 billion came from this stream, which primarily consists of earnings generated by the Bureau of the Treasury (BTr) from government financial assets, investments, and treasury operations. Looking ahead, the Philippines is expected to see a rise in its official tax efficiency metrics as statistical reporting methods are refined. Furthermore, the Philippines is actively expanding its tax reach by capturing revenue from the digital economy, having recently implemented mechanisms to collect VAT on inbound digital supplies and services. These efforts cap off a decade of substantial growth in revenue capacity. Between 2014 and 2024, the Philippines emerged as a regional leader in expanding the fiscal resources available per citizen.
<https://mb.com.ph/2026/06/30/philippines-beats-asean-peers-on-tax-effort-but-trails-apac-average>
- ✓ **Filipino consumers struggle to recover from pandemic as rest of Asia rebounds.** Filipino consumers are falling behind their Asian neighbors in bouncing back from the Covid-19 pandemic as low-paying jobs, shrinking savings, and slowing remittances hit household

spending. According to a report by Dutch bank ING, while shoppers in India and Japan have resumed pre-pandemic spending habits, the Philippines and other Southeast Asian nations face a much slower recovery due to weaker financial buffers and rising inflation risks. Bhargava said Asian economies, including Japan, Australia, and India, are benefiting from stronger consumption growth, noting that spending activity in these countries has returned to pre-pandemic levels. Meanwhile, the Philippines and Indonesia face “thin” precautionary savings. This lack of a fiscal cushion leaves Filipino consumers “more sensitive to income shocks and inflation” compared to their wealthier neighbors. Structural issues in the labor market are further hampering the Philippines’ recovery. A notable slowdown in income flows from external sources exacerbates these internal struggles. Unlike other regional economies, Philippine consumption is “closely tied” to overseas remittances, which are now showing signs of fatigue. ING’s outlook is further clouded by unpredictable geopolitical developments. Because the Middle East accounts for nearly a fifth of total remittance inflows, escalating tensions in that region risk choking cash inflows and potentially dragging down economic growth.

<https://mb.com.ph/2026/06/30/filipino-consumers-struggle-to-recover-from-pandemic-as-rest-of-asia-rebounds>

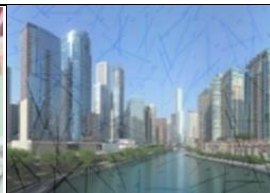
- ✓ **Philippines missing out on China+1 manufacturing shift—Oxford Economics.** The Philippines has captured “virtually none” of the manufacturing diversification away from China despite the ongoing “China+1” strategy adopted by global companies, according to think tank Oxford Economics. In a report on Tuesday, June 30, Oxford Economics lead economist Alexandra Hermann Prasad said production relocation from China has so far benefited only a handful of emerging Asian economies, with Vietnam emerging as the clearest China+1 winner and India making gains in electronics manufacturing. China+1 is a supply chain strategy in which companies diversify manufacturing beyond China by expanding production in other countries. Vietnam has emerged as the clearest China+1 winner, registering broad-based export market share gains in footwear, miscellaneous goods, textiles, as well as electronics and machinery parts. India’s gains, meanwhile, have been concentrated mainly in electronics. By contrast, gains in the Philippines, Indonesia, Malaysia, and Thailand have been more limited. For Oxford Economics, the strongest opportunities for emerging Asia will come from complementing China’s industrial upgrading rather than replacing it. But “opportunities for the Philippines... look the scarcest given its weak integration into regional manufacturing ecosystems outside of semiconductor assembly, test, and packaging (ATP) processes,” according to Oxford Economics.
<https://mb.com.ph/2026/06/30/philippines-missing-out-on-china1-manufacturing-shiftxford-economics>
- ✓ **Gov’t weighs antitrust exemptions to fast-track key infra deals.** The Philippine Competition Commission (PCC) is looking to exempt certain public-private partnership (PPP) projects from compulsory notification requirements to accelerate the development of key projects in disadvantaged areas. In a statement, the PCC said it held focus group discussions (FGDs) on June 16 to 17 to seek feedback on the draft circular on the Updated Process for Exemption from Compulsory Notification of PPP Projects. In line with the PPP Code, the proposed policy aims to establish a framework for the exemption from the compulsory notification of joint ventures (JVs) related to PPP projects. The draft circular outlines five grounds for the exemption of PPP deals based on specific regional and economic development benchmarks. “The updated process seeks to facilitate the delivery of priority infrastructure projects while preserving market competition,” the PCC said. PCC Mergers and Acquisitions Office (MAO) Director Lianne Ivy Medina said these recommendations would be considered as the agency works on finalizing the provisions of the draft circular. By easing notification requirements, the PCC said it would have more time to focus on reviewing PPP projects “with the most significant impact on trade, industry, and commerce,” while strengthening coordination in the approval of these deals.
<https://mb.com.ph/2026/06/30/govt-weighs-antitrust-exemptions-to-fast-track-key-infra-deals>
- ✓ **Agri chief says external conditions now ‘more favorable’ as PH preps for El Niño.** Agriculture Secretary Francisco Tiu Laurel Jr. on Tuesday said external conditions are now improving, which was worsened by the US-Israel versus Iran war earlier this year, paving the way for his department to focus on preparing for the impending El Niño phenomenon in the second half of 2026. In a statement, Tiu Laurel said that “external conditions have also become more favorable” as fuel prices have eased and fertilizer prices have fallen sharply from a peak of about \$930 per metric ton (MT) to around \$450 per MT, with domestic retail prices expected to return to near pre-war levels of P1,600 to P2,000 per bag by August. He added that the Agriculture Department has more lead time than it did during the previous El Niño episode and should use that window to roll out mitigation measures. Moreover, Tiu Laurel ordered the DA to fast-track irrigation, water impounding and other climate adaptation projects, including small farm reservoirs that can also support fisheries and provide farmers with additional food and income rather than waiting for reservoirs to dry up or crops to fail. Beyond immediate climate preparations, Tiu Laurel also cited a broader shift toward a food systems approach where production, storage, logistics, weather information and market demand are managed as one integrated network supported by real-time data. The Agriculture chief also directed regional offices to identify each province’s strongest agricultural and fisheries commodities, quantify production capacity and measure post-harvest losses to guide investments in storage, processing and cold chain infrastructure.
<https://www.gmanetwork.com/news/money/economy/993178/agri-chief-says-external-conditions-now-more-favorable-as-ph-preps-for-el-ni-o/story/>
- ✓ **Labor chief announces ‘historic’ P85/day wage hike in Metro Manila.** Labor Secretary Francis Tolentino announced on Tuesday a wage increase of P85/day in Metro Manila. He said 1.1 million minimum wage earners will benefit from this “historic” increase. Akbayan Representative Perci Cendaña welcomed the move, saying it is a “good step but it should be the first step.” “This must be bolstered by a legislated wage hike to fully allow our workers to survive the onslaught of price increases,” he said. He also noted that wage hikes must be extended across the country.
<https://www.abs-cbn.com/news/business/2026/6/30/labor-chief-announces-historic-p85-day-wage-hike-in-metro-manila-1127>
- ✓ **DOE threatens to blacklist 175 erring power plant companies.** Power generation firms that repeatedly fail to deliver their expected output face potential blacklisting and cancellation of permits as the government steps up actions against poor services. At a media briefing on Monday, Energy Secretary Sharon Garin said the Department of Energy (DOE) was ready to issue show-cause orders to 164 generation companies (gencos) connected to the main power grid, and another 11 servicing off-grid areas, mainly small or remote islands. Garin declined to identify these gencos at this time “to avoid any complications.” This latest move by the DOE was in line with the recent release of a circular that seeks to make power generation entities more accountable for deficiencies that ultimately lead to power interruptions and higher costs. On Monday, the Visayas grid was placed under yellow alert anew due to tight power supply. The region also suffered from a few red alerts, indicating a likelihood of rotational brownouts. The tight power supply situation is expected to improve only by August when three large coal plants return to commercial operations. Gabriel Corpuz, legal officer at the DOE, said that across the country, gencos’ common violations include forced outages, prolonged deratings or reduced output, and failure to deliver the committed capacities.

<https://business.inquirer.net/597950/does-threatens-to-blacklist-175-erring-power-plant-companies>

- ✓ **Landbank lends P800-M for Palawan hybrid microgrid project.** State-run Land Bank of the Philippines (Landbank) is lending P800 million to expand off-grid electrification in Palawan through hybrid renewable energy microgrids. In a statement on Tuesday, Landbank said it extended the financing facility to Archipelago Renewables Corp. (ARC), a special-purpose company established to develop and operate renewable and hybrid energy systems. Meanwhile, ARC is backed by the Maharlika Consortium, which comprises Maharlika Clean Power Holdings Corp. (MCPHC), CleanGrid Partners Pte. Ltd., and WEnergy Global Pte. Ltd. According to Landbank President and CEO Lynette Ortiz, "This initiative goes beyond building infrastructure; it powers opportunity. By combining clean solar energy with innovative financing, we are strengthening communities, supporting local enterprises, and accelerating inclusive growth in underserved areas." For his part, ARC President Quintin Jose Pastrana said the partnership accelerates the consortium's off-grid electrification program. Landbank said the financing program supports renewable energy projects, climate-resilient infrastructure and expanding access in off-grid areas.
<https://business.inquirer.net/598069/landbank-lends-p800m-for-palawan-hybrid-microgrid-project>
- ✓ **Century Properties taps debt market for P3B growth war chest.** Century Properties Group Inc. (CPG) has tapped the domestic debt market for fresh funding, enrolling P3 billion worth of five-year fixed-rate corporate notes with the Philippine Dealing & Exchange Corp. to support growth and strengthen its funding base. On Tuesday, the Antonio family-led real estate firm said it issued the peso-denominated notes to qualified institutional investors. The notes are exempt from registration with the Securities and Exchange Commission under rules governing qualified buyers. Proceeds will fund land banking in key growth areas, including Calabarzon, Central Luzon, Panay and Davao, and the construction of pre-sold units under the company's First-Home Residential Business. The deal diversifies CPG's funding sources and boosts financial flexibility for future expansion. The company said raising capital ahead of its funding needs reduces execution risk and preserves flexibility to pursue growth opportunities.
<https://business.inquirer.net/598067/century-properties-taps-debt-market-for-p3b-growth-war-chest>
- ✓ **Megaworld posts 45.6% jump in office lease renewals in H1 2026.** Real estate developer Megaworld Corporation posted a 45.6% increase in office lease renewals in the first half of 2026, driven by sustained demand for office spaces. In a news release on Tuesday, Megaworld said office lease renewals reached 122,000 square meters from January to June, up from 83,353 square meters recorded in the same period last year. The property developer said the renewals were spread across its office developments in various townships nationwide. The company's township concept continues to attract tenants by offering integrated communities with residential, retail, hospitality, transport access, and open spaces within a master-planned environment. Megaworld also said it has fully leased 24 office towers nationwide, covering a combined 430,000 square meters of gross leasable area.
<https://www.gmanetwork.com/news/money/companies/993190/megaworld-posts-45-6-jump-in-office-lease-renewals-in-h1-2026/story/>
- ✓ **Meralco distribution, generation units growing.** Power utility firm Meralco is seeing better financial results this year despite geopolitical risks. It is also expanding both its distribution utility and power generation businesses. At its Annual Stockholders' Meeting, Meralco Chairman Manny Pangilinan said he remains confident of growth this year despite headwinds in recent months. In 2025, consolidated core net income hit P50.6 billion and he said the figure may be higher this year. "The full year profits would be ahead of last year definitely," he said, noting that they don't have the first half figures yet, but the first 5 months looked good. Pangilinan said all their businesses are doing quite well. Meralco said its power distribution and generation units are performing better compared to last year. Aside from expanding solar, it is also eyeing nuclear energy and it continues to review and monitor the progress of SMRs or small modular reactors to see what would work in the Philippines. "We are now already positioning Meralco to be a major player in the nuclear energy adoption," said Meralco Chief Operating Officer Ronnie Aperocho. The company is also eyeing expansion in Visayas and Mindanao, which Pangilinan said are areas that need more power supply. Its subsidiary MGen Renewable Energy (MGreen) and SP Energy Corp. (SPNEC) are also expected to complete the merger by the end of the year and go public after.
<https://www.abs-cbn.com/news/business/2026/6/30/meralco-distribution-generation-units-growing-1739>
- ✓ **Mynt files for P92.3B IPO, eyes Q4 listing.** Mynt Inc., operator of e-wallet GCash, has filed its registration documents with the Securities and Exchange Commission for a planned P92.32-billion initial public offering in the fourth quarter, in what could become the country's largest share sale. The company plans to sell up to 13.8 percent of its ownership through the IPO, with shares offered at up to P10 apiece. The offer will comprise up to 8.02 billion shares, consisting of 1.61 billion primary shares and 6.42 billion secondary shares. Another 1.2 billion secondary shares will be set aside for the greenshoe option. The shares represent about 12 percent of Mynt's outstanding capital stock. Analysts said the deal would provide price discovery for one of the country's most closely watched fintech companies, but they also flagged the valuation and the large secondary component of the offer. Mynt said the filing marks a significant step for a company that has grown GCash from an SMS-based payment service into a national-scale finance platform.
<https://malaya.com.ph/business/business-news/mynt-files-for-p92-3b-ipo-eyes-q4-listing/>



REST OF THE WORLD



- ✓ **Asian stocks erase gains, yen hits 40-year low.** Asian equities erased earlier gains as technology stocks in South Korea edged lower after a blistering rally this quarter and the yen weakened to a historic 40-year low. The MSCI Asia Pacific Index fell 0.2 per cent, giving up gains of as much as 0.6 per cent, as chipmakers such as Samsung Electronics and SK Hynix declined. Still, the regional benchmark was on track for its best quarterly gain in 17 years. The Kospi Index, the world's best-performing major gauge this year, dropped 0.9 per cent. US equity-index futures fell as much as 0.4 per cent. Meanwhile, the yen extended its losses early Tuesday (Jun 30) to trade past 162 per dollar. The currency's slide during the New York session to the weakest level since 1986 will generate unease in Japan and put traders on high alert for authorities wading into the market. Global equities are on track for their best quarter in almost six years as investors crowd into the artificial intelligence trade. Investors now turn their focus to the US-Iran talks Tuesday and US June jobs data on Thursday that may offer clues on whether the Federal Reserve will keep interest rates higher for longer.

- ✓ **Europe's STOXX 600 clocks biggest quarterly gain in over five years on AI boost.** European shares registered their biggest quarterly rise in more than five years on Tuesday (Jun 30), boosted by optimism around artificial intelligence and signs of easing tensions in the Middle East. The pan-European STOXX 600 index closed 0.9 per cent higher, after hitting an intraday record high. The benchmark marked a third consecutive monthly gain and climbed 10 per cent for the quarter, its strongest such performance since October 2020. Most major STOXX 600 sectors were higher on Tuesday, with technology stocks leading the charge with a 2.5 per cent gain. They clocked their biggest quarterly jump since October 2001, underscoring robust demand for AI infrastructure. The sector is also on track to outperform its Wall Street counterpart this month and quarter. Global equities have rallied this quarter on AI enthusiasm, with the US and Asia at the forefront, while Europe's smaller exposure to the tech sector has resulted in it playing catch up for most of this period.
<https://www.businesstimes.com.sg/companies-markets/capital-markets-currencies/europes-stoxx-600-clocks-biggest-quarterly-gain-over-five-years-ai-boost>
- ✓ **S&P 500, Nasdaq register best quarter since 2020 despite Iran war.** The S&P 500 and Nasdaq finished June on Tuesday (Jun 30) with their biggest quarterly gains since 2020 as investors remained upbeat about economic and earnings growth even amid the Middle East conflict. The Dow had its biggest quarterly jump since 2022. The indexes ended higher for the day as well, with the Dow registering a record closing high for the second straight day. Technology led gains among S&P 500 sectors, and an index of semiconductor stocks finished 3.9 per cent higher on the day. Optimism over signs of progress in efforts to bring the Iran war to a lasting halt has helped stocks recently despite continued military tensions. After a strong first-quarter earnings season for S&P 500 companies, investors are looking forward to second-quarter results in the coming weeks. The Dow Jones Industrial Average rose 136.46 points, or 0.26 per cent, to 52,319.20, the S&P 500 gained 58.93 points, or 0.79 per cent, to 7,499.36 and the Nasdaq Composite gained 393.58 points, or 1.52 per cent, to 26,213.72.
<https://www.businesstimes.com.sg/international/global/sp-500-nasdaq-register-best-quarter-2020-despite-iran-war>
- ✓ **Brent Posts Worst Quarter Since 2020 on Supply Surge.** Brent crude oil traded near \$74 per barrel on Tuesday, recording a roughly 30% drop in Q2, which represents its largest quarterly decline since 2020. This plunge follows a surge in supply as traffic accelerated through the Strait of Hormuz after progress toward a peace deal released oil previously trapped inside the Persian Gulf. Additionally, US sanction waivers granted to Iran have introduced extra volumes into a market already trying to absorb major supply workarounds. Diplomatic efforts continue as Washington and Tehran send delegations to Doha for negotiations to end the four-month war, though Iran has ruled out direct talks. Meanwhile, Iran maintains its stance on controlling maritime traffic through the waterway. Iranian officials expressed a desire to co-regulate the strategic channel with Oman, but affirmed that Tehran will advance its own regulatory plans independently if necessary to oversee the strait's picking up flows.
<https://tradingeconomics.com/commodity/brent-crude-oil/news/562959>
- ✓ **Gold drops below US\$4,000 as US-Iran tensions raise inflation risk.** Gold extended a decline below US\$4,000 an ounce as the US and Iran sent conflicting signals ahead of fresh talks to end the war that's fuelled global inflationary pressures. Bullion fell as much as 1.8 per cent to US\$3,943, the lowest intraday level since November, after giving up almost 2 per cent in the previous session. Washington said negotiations with Teheran are due to begin Tuesday in Doha, while Iran's foreign ministry said on Telegram that it would send a delegation of experts but ruled out direct talks. Gold has lost around 25 per cent since the war began in late February, breaking through key technical levels including the 200-day moving average that maps long-term momentum. Though oil prices have retreated after spiking earlier in the war, expectations remain that central banks will keep interest rates higher for longer. This creates headwinds for non-yielding precious metals. A stronger US dollar has also added pressure to gold that's priced in the US currency, making the metal more expensive for many buyers. A gauge of the greenback has risen more than 2 per cent this month.
<https://www.businesstimes.com.sg/companies-markets/energy-commodities/gold-drops-below-us4000-us-iran-tensions-raise-inflation-risk>
- ✓ **PBoC Maintains 7-Day Reverse Repo Rate, Adds Liquidity.** The People's Bank of China (PBoC) injected CNY 69.5 billion through seven-day reverse repos on Tuesday, while keeping the interest rate unchanged at 1.4%, according to an official statement. The central bank also conducted overnight reverse repo operations for a second straight day, offering CNY 600 billion to financial institutions, though it did not disclose the borrowing cost. The PBoC introduced the overnight liquidity tool on Monday, with the interest rate set at 1.25%, according to Reuters.
<https://tradingeconomics.com/china/reverse-repo-rate/news/562736>
- ✓ **China factory activity grows faster than expected in June on tech export demand.** China's manufacturing activity expanded faster than expected in June, with high-tech production climbing on demand tied to the global artificial-intelligence investment boom while real estate development and consumer goods production remained under pressure. The official purchasing managers' index edged up to 50.3 in June from 50.0 in May, beating economists' forecast of 50.1 and returning to expansionary territory above the 50-mark threshold. China's manufacturing engine has remained resilient this year, with surging demand for AI technology offsetting the drag from Middle East turmoil, even as domestic demand remains weak. The world's second-largest economy showed signs of recovery in June after two months of sluggish growth, with manufacturing activity and retail sales rebounding, according to China Beige Book, a private research firm that surveys 1,321 Chinese businesses.
<https://www.cnbc.com/2026/06/30/china-factory-activity-june-tech-export-demand-pmi-nbs.html>
- ✓ **China clamps down on issuance of higher-yielding offshore debt.** Chinese authorities are discouraging firms from raising money offshore at higher yields, in the latest step to clamp down on risks among municipal borrowers shouldering more than US\$100 billion of overseas bond debt, people familiar with the matter said. The National Development and Reform Commission (NDRC) has asked select Chinese bankers in recent weeks to avoid underwriting any offshore renminbi notes yielding more than 4 per cent and any US dollar securities yielding more than 5 per cent, according to the people, who asked not to be identified speaking about private matters. The goal is to cut down on higher-cost borrowing and excessive debt financing especially among local government financing vehicles (LGFVs), they said. There was no immediate response from the NDRC, which oversees Chinese companies' foreign debt, to a request for comment. The tighter regulatory scrutiny comes at a time when Chinese companies are staring at about US\$71 billion of offshore bonds due the rest of this year, based on data compiled by Bloomberg. The refinancing pressures will intensify further next year, when the maturity wall peaks at over US\$130 billion. In the onshore credit market, regulators have also been taking more steps recently to better manage risks. The People's Bank of China is

leading an effort to ask rating companies to assess whether some issuers no longer meet updated standards for AAA ratings, in the most concrete step yet to curb the concentration of top-tier ratings in the country's local bond market, Bloomberg News reported last week. <https://www.businesstimes.com.sg/international/china-clamps-down-issuance-higher-yielding-offshore-debt>

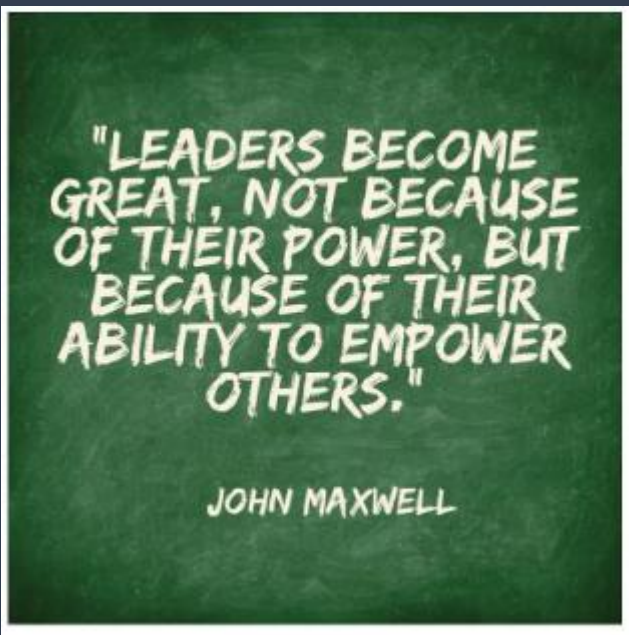
- ✓ **Thai May factory output falls 0.8% y/y, weaker than forecast.** Thailand's manufacturing production index dropped 0.8 per cent in May from a year earlier, the industry ministry said on Tuesday, weaker than analyst forecasts. The May reading compared with a year-on-year decrease of 0.34 per cent forecast in a Reuters poll, and followed a revised fall of 0.94 per cent in the previous month. The ministry has forecast that factory output will rise 1.0 per cent to 2.0 per cent this year. <https://www.channelnewsasia.com/business/thai-may-factory-output-falls-08-yy-weaker-forecast-6220631>
- ✓ **German Retail Sales Unexpectedly Rise.** Germany's retail sales rose 1.1% month-on-month in May 2026, rebounding from a revised 0.4% decline in the previous month and defying market expectations for a 0.1% fall. It marked the biggest growth since June last year, suggesting that consumer spending regained some momentum despite ongoing economic uncertainty. On an annual basis, retail sales advanced 1.8%, swinging from a revised 0.6% decline in April and marking the strongest annual growth in five months. <https://tradingeconomics.com/germany/retail-sales/news/562800>
- ✓ **UK GDP Growth Confirmed at 0.6% in Q1.** The UK economy expanded by 0.6% quarter-on-quarter in Q1 2026, confirming preliminary estimates and accelerating from a revised 0.1% growth in Q4. This marked the strongest quarterly expansion since Q1 2025. Services output, the main growth driver, rose by 0.8%, up from 0.1%, led by professional, scientific and technical activities (+2.3%) and wholesale and retail trade (+1.8%). Production output increased by 0.2%, supported by a 0.7% rise in manufacturing and a 1.2% increase in electricity, gas, steam, and air conditioning supply, partly offset by declines in mining and quarrying (-4.7%) and water supply (-0.7%). Construction also grew by 0.2%, as repair and maintenance increased 3.3%, while new work fell 2.1%. On a yearly basis, the UK economy expanded 0.9% in Q1, revised down from the preliminary estimate of 1.1% and matching the revised pace recorded in the previous period. <https://tradingeconomics.com/united-kingdom/gdp-growth/news/562803>
- ✓ **The economic toll of Europe's record-breaking heatwave.** Deserted streets and parks, closed schools and cancelled public events. The recent heatwave in Europe brought back memories of the pandemic lockdowns. This time, however, it wasn't a virus but record-breaking temperatures driving the disruption. European countries, including France, the UK, Switzerland and Germany, experienced their hottest days on record for June. Yet despite repeated warnings and growing awareness, heatwaves still bring large parts of the continent to its knees. While the record high temperatures during the day and overnight are clearly harmful for human health, they will also leave their mark on the European economy. Last year, a joint paper from the University of Mannheim and the ECB also put a number on the economic damage, analysing the heatwaves, droughts and floods of the summer of 2025. According to the paper, the European economy lost some 0.3% of output. This damage could grow to an accumulated 0.8% by 2029, taking into account the effects of lost productivity, supply chain disruption and depressed tourism revenue. Previously, the ECB had also estimated that heatwaves and drought could push up food inflation by some 0.4-0.9pp, with that effect potentially doubling over the next 30 years. Looking ahead, while the recent drop in energy prices should bring some relief to European households and companies, the current heatwaves bring a new downside risk for the European economy: potential supply chain frictions due to low water levels in main rivers and affected infrastructure like railways and highways, but also productivity losses. In fact, the uncomfortable truth is that heatwaves have quietly graduated from "weather event" to "macro variable". The thermometer, it turns out, has become a leading indicator. <https://think.ing.com/articles/heat-wave-in-europe-harms-nature-humans-and-economy/>
- ✓ **US Supreme Court rejects Trump's unprecedented bid to fire Fed's Cook.** The US Supreme Court refused on Monday to let Donald Trump fire Federal Reserve Governor Lisa Cook as it stood firm to preserve the central bank's cherished independence against an unprecedented challenge by the Republican president. The court, in a 5-4 ruling, blocked Trump's bid to become the first president to remove a Fed official since Congress created the central bank in 1913. In his second term as president, Trump has tested the limits of presidential power in numerous other ways as well. Conservative Chief Justice John Roberts and fellow conservative Justice Brett Kavanaugh were in the majority, along with the court's three liberal justices. Conservative Justices Clarence Thomas, Samuel Alito, Neil Gorsuch and Amy Coney Barrett dissented. Roberts, who authored the ruling, said Trump "failed to afford Cook the procedural protections to which she was entitled by statute. Without such protections, she could not properly dispute the charges the president laid against her." The Federal Reserve's governors "do not serve at the president's pleasure - they instead serve staggered 14 year terms, and may be removed only 'for cause,'" Roberts added. The Fed is the world's most important central bank, an institution that determines the cost of credit for the United States and beyond and which has been in Trump's crosshairs since his return to the presidency in January 2025. <https://www.businesstimes.com.sg/companies-markets/banking-finance/us-supreme-court-rejects-trumps-unprecedented-bid-fire-feds-cook>
- ✓ **US 10-Year Yield Rebounds.** The yield on the 10-year US Treasury note rose to 4.40% on Tuesday, rebounding from the seven-week low of 4.37% from the last session as evidence of a strong economy supported the outlook of a hawkish Federal Reserve. The JOLTS pointed to the largest number of job openings in two years, well above market expectations, and aligning with the surge in payrolls from the period. The data consolidated the robust labor market momentum ahead of fresh jobs data Thursday. Despite Fed Chairman Warsh's opposition to signal any guidance for the central bank, the current backdrop of a low-firing backdrop with elevated core inflation drove multiple FOMC members to project rate hikes this year. In the meantime, Warsh's campaign to shrink the Fed's holdings of Treasury notes and bonds also lifted yields. This offset the lower outlook for inflation as progress in restoring energy supply from the Persian Gulf drove energy prices to retreat. <https://tradingeconomics.com/united-states/government-bond-yield/news/563040>

UPCOMING BAIPHIL
WEBINARS



TRAINING PROGRAMS		PROGRAM DETAILS		
COMMITTEE	TITLE	DATE	COURSE OUTLINE	REGISTRATION LINK
Finance and Audit Course Committee (FACCOM)	Prudential/Regulatory Accounting Standards for the Statutory Reporting of Banks – Part 2 (Focus on FRP and Prudential Reporting Requirements)	July 3 – 4, 2025	PROGRAM DETAILS	REGISTER HERE
	Independent Assurance Assessment of Retail Branch Banking's AML Regulatory Compliance Culture & Ethical Culture and their AML Risk Governance & Controls	July 30-31, 2026	PROGRAM DETAILS	REGISTER HERE
	Essential Tools to Smart Financial Decisions: Cost-Benefit Analysis, Budgeting, Breakeven, and Beyond	August 13, 2026	PROGRAM DETAILS	REGISTER HERE
	Accounting for Non-Accountants (With Financial Statement Analysis)	September 9 - 10, 2026	PROGRAM DETAILS	REGISTER HERE
Governance, Legal, Regulatory and Compliance (GLRC) Course Committee	Basic Course on Corporate Governance	July 21, 2026	PROGRAM DETAILS	REGISTER HERE
	Basic Course on Corporate Governance	September 23, 2026	PROGRAM DETAILS	REGISTER HERE
Information Technology and Security Course (ITSEC) Committee	Advanced Excel Training for Bankers	July 9 – 10, 2026	PROGRAM DETAILS	REGISTER HERE
	Excel VBA Programming	July 30 – 31, 2026	PROGRAM DETAILS	REGISTER HERE
	Artificial Intelligence Management thru ISO 42001: 2023	August 28, 2026	PROGRAM DETAILS	REGISTER HERE
	Cloud Security	September 7, 2026	PROGRAM DETAILS	REGISTER HERE
Leadership Effectiveness Course (LEC) Committee	Basic Leadership and Effective Supervision Seminar (BLESS) For Bank Supervisors	July 22, 2026	PROGRAM DETAILS	REGISTER HERE
	Effective Business Writing: Professionalizing Your Communication Skills (Module 1)	August 18, 2026	PROGRAM DETAILS	REGISTER HERE
	Leadership Effectiveness and Advancement Program (LEAP) - A Program for Managers	August 19 - 20, 2026	PROGRAM DETAILS	REGISTER HERE
	Malasakit in the Workplace: Work Attitude, Values and Excellence (W.A.V.E.)	August 25, 2026	PROGRAM DETAILS	REGISTER HERE
	Conflict Resolution and Management	September 15, 2026	PROGRAM DETAILS	REGISTER HERE
	Effective Business Writing: Level-Up! (Module 2)	September 17, 2026	PROGRAM DETAILS	REGISTER HERE
	Basic Leadership and Effective Supervision Seminar (BLESS) For Bank Supervisors	September 23, 2026	PROGRAM DETAILS	REGISTER HERE
	Problem Solving and Decision Making (PSDM) in the Workplace	September 29 - 30, 2026	PROGRAM DETAILS	REGISTER HERE
	Leadership Effectiveness and Advancement Program (LEAP) - A Program for Managers	October 13 - 14, 2026	PROGRAM DETAILS	REGISTER HERE
	Basic Leadership and Effective Supervision Seminar (BLESS) For Bank Supervisors	November 19, 2026	PROGRAM DETAILS	REGISTER HERE
Products, Bank Operations and Management (PBOM) Course Committee	Treasury in Banking: The Very Basics	July 10, 2026	PROGRAM DETAILS	REGISTER HERE
	Basic Identification Documents, Business and Income Documents Verification	July 20, 2026	PROGRAM DETAILS	REGISTER HERE
	Signature Verification and Forgery Detection	July 23, 2026	PROGRAM DETAILS	REGISTER HERE
	Outsourcing Management	July 27, 2026	PROGRAM DETAILS	REGISTER HERE
	Treasury in Banking: Asset-Liability Management	July 31, 2026	PROGRAM DETAILS	REGISTER HERE
	Fundamentals of Credit Module 1: Basic Credit Skills	August 3, 2026	PROGRAM DETAILS	REGISTER HERE
	Treasury in Banking: Accounting & Financial Reporting	August 7, 2026	PROGRAM DETAILS	REGISTER HERE
	Money and Capital Market	August 14, 2026	PROGRAM DETAILS	REGISTER HERE

	Fundamentals of Credit Module 2: Credit Lending Process Overview, Products and Collateral	August 17 – 18, 2026	PROGRAM DETAILS	REGISTER HERE
	Fraud and Forgery Detection and Prevention Program	August 27, 2026	PROGRAM DETAILS	REGISTER HERE
	Know Your Money and Counterfeit Detection	August 28, 2026	PROGRAM DETAILS	REGISTER HERE
	Fundamentals of Credit Module 3 & 4: Business Risk Assessment and Industry Risk Assessment	September 2 – 3, 2026	PROGRAM DETAILS	REGISTER HERE
	Crash Course in Financial Instruments Part 1: Accounting & Financial Reporting	September 4, 2026	PROGRAM DETAILS	REGISTER HERE
	Crash Course in Financial Instruments Part 2: Risk Management & Valuation	September 11, 2026	PROGRAM DETAILS	REGISTER HERE
	Fundamentals of Credit: Module 5: Basic Accounting and Financial Analysis, Module 6: Cash Flow Analysis and Module 7: Financial Spreadsheets, Validation and Projections	September 16 – 18, 2026	PROGRAM DETAILS	REGISTER HERE
	Third Currencies Counterfeit Detection	September 24, 2026	PROGRAM DETAILS	REGISTER HERE
	Signature Verification and Forgery Detection	September 25, 2026	PROGRAM DETAILS	REGISTER HERE
	Fundamentals of Credit Module 8: Credit Lending Process	October 6 - 7, 2026	PROGRAM DETAILS	REGISTER HERE
	Remedial Management	November 12 – 13, 2026	PROGRAM DETAILS	REGISTER HERE
	Fraud and Forgery Detection and Prevention Program	August 27, 2026	PROGRAM DETAILS	REGISTER HERE
	Know Your Money and Counterfeit Detection	August 28, 2026	PROGRAM DETAILS	REGISTER HERE
Risk Management Course (RMC) Committee	Environmental, Social and Governance	July 7, 2026	PROGRAM DETAILS	REGISTER HERE
	Information Security Risk Assessment (aligned to BSP M-2022-30)	July 13, 2026	PROGRAM DETAILS	REGISTER HERE
	Third Party Risk Management	July 20, 2026	PROGRAM DETAILS	REGISTER HERE
	Enterprise Risk Management	August 4, 2026	PROGRAM DETAILS	REGISTER HERE
	Business Continuity: Strengthening Your Fundamentals to a Robust or Resiliency Level	September 1, 2026	PROGRAM DETAILS	REGISTER HERE
	Crisis Management	August 26, 2026	PROGRAM DETAILS	REGISTER HERE
	SEC Sustainable Finance Taxonomy 2025 Guidelines (SFTG)	September 22, 2026	PROGRAM DETAILS	REGISTER HERE
	Fraud Risk Management Professional Training Program	September 28, 2026	PROGRAM DETAILS	REGISTER HERE



REFERENCES

- 1 Reuters: <https://www.reuters.com/finance/currencies>
- 2 Philippine Dealing System: <http://www.pds.com.ph/>
- 3 Philippine Stock Exchange: <http://www.pse.com.ph/stockMarket/home.html>
- 4 Reuters: <https://www.reuters.com/markets/stocks>
- 5 Bloomberg: <https://www.bloomberg.com/markets/commodities>
- 6 CNN Money: <https://money.cnn.com/data/bonds/>

OTHER REFERENCES / EXTERNAL LINKS

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| <ul style="list-style-type: none"> > Philippine Stock Exchange: http://www.pse.com.ph/stockMarket/home.html > Philippine Dealing System: http://www.pds.com.ph/ > GMA News Online: http://www.gmanetwork.com/news/ > BPI Asset Management: https://www.bpiassetmanagement.com/ > Business World: http://bworldonline.com/ > Philippine Daily Inquirer: http://business.inquirer.net/ > Philippine Star: https://www.philstar.com/business/ > ABS-CBN News: http://news.abs-cbn.com/business/ > Manila Bulletin: https://mb.com.ph/ > Manila Standard: http://manilastandard.net/ > Philippine News Agency: www.pna.gov.ph > AutoIndustriya: https://www.autoindustriya.com/ > The Wall Street Journal: https://www.wsj.com/asia/ > Reuters: https://www.reuters.com/ > Bloomberg: https://www.bloomberg.com/markets/ > Business Mirror: https://businessmirror.com.ph/ | <ul style="list-style-type: none"> > CNN Money: http://money.cnn.com/ > Bangko Sentral ng Pilipinas: http://www.bsp.gov.ph/ > Bankers Association of the Philippines: http://bap.org.ph/ > Bureau of Treasury: http://www.treasury.gov.ph/ > Philippine Statistics Authority: https://psa.gov.ph/ > Trading Economics: https://tradingeconomics.com/ > South China Morning Post: http://www.scmp.com/ > Japan Times: https://www.japantimes.co.jp > The Japan News: http://www.the-japan-news.com > Market Watch: https://www.marketwatch.com/ > Asia Nikkei: https://asia.nikkei.com/ > Straits Times: https://www.straitstimes.com/global > Channel News Asia: https://www.channelnewsasia.com/ > CNBC: https://www.cnbc.com/ > The New York Times: https://www.nytimes.com/ > Gulf News: https://gulfnews.com/ |
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