



BAIPHIL MARKET WATCH

02 July
2026

Legend

Improvement / Up
Deterioration / Down
No Movement

FINANCIAL MARKETS AT A GLANCE



Currency Exchange ¹	Current	Previous
USD/PHP	61.6210	61.3600
USD/JPY	162.6000	162.3400
USD/CNY	6.7944	6.7856
EUR/USD	1.1379	1.1393
GBP/USD	1.3276	1.3231

PHP BVAL Reference Rates ²	Current	Previous
30-Day	4.9087	4.9374
91-Day	5.1544	5.1772
180-Day	5.5774	5.6079
1-Year	5.9369	5.9480
3-Year	6.5583	6.5023
5-Year	6.8407	6.7542
10-Year	7.0978	6.9112

Domestic Stock Index ³	Current	Previous
PSEi	6,069.26	6,037.17
Trade Value (Php B)	4.628	6.743

Stock Index ⁴	Current	Previous
NIKKEI 225	70,474.96	70,062.32
FTSE 100	10,478.34	10,497.12
DOW JONES	52,305.24	52,319.20
S&P 500	7,483.23	7,499.36
NASDAQ	26,040.03	26,213.72

Various ^{5/6}	Current	Previous
Brent Crude (USD/bbl)	71.10	73.85
3-M US Treasury Yield	3.85%	3.87%
5-Y US Treasury Yield	4.24%	4.19%
10-Y US Treasury Yield	4.48%	4.44%



PHILIPPINES



✓ **Shares rebound as investors pick up bargains.** Philippine stocks ended higher on Wednesday as investors took advantage of lower valuations after the market's steep decline in the prior session. The Philippine Stock Exchange index (PSEi) rose by 0.53% or 32.09 points to close at 6,069.26, while the broader all shares index went up by 0.16% or 5.49 points to end at 3,324.78. "This comes after investors hunted bargains following Tuesday's sell-off. Market sentiment was further supported by optimism over US-Iran negotiations and regional diplomatic efforts, pushing oil prices lower," Philstocks Financial, Inc. Research Manager Japhet Louis O. Tantiangco said in a Viber message. "The PSEi ended higher as the market shifted into bargain hunting mode following (Tuesday's) decline. Investor sentiment improved as participants picked up select names at attractive levels. The market also tracked the broader regional recovery, supporting a more positive tone," Regina Capital Development Corp. Head of Sales Luis A. Limlingan said in a Viber message. On Tuesday, the PSEi sank by 1.56% or 96.24 points to close at 6,037.17.

<https://bworldonline.com/stock-market/2026/07/01/760496/shares-rebound-as-investors-pick-up-bargains-3/>

✓ **Peso tumbles to over three-week low.** The peso tumbled to an over three-week low on Wednesday as demand for the dollar was fueled by hawkish US Federal Reserve expectations and continued uncertainty over the Middle East war. The currency fell by 26.1 centavos to finish at P61.621 versus the greenback from P61.36 on Tuesday, based on Bankers Association of the Philippines data posted on its website. This was its weakest close in more than three weeks or since ending at P61.69 on June 8. The local unit opened Wednesday's session significantly weaker at P61.55 per dollar, which was already its intraday best. Meanwhile, its worst showing was at P61.65 against the greenback. Dollars traded went down to \$1.575 billion on Wednesday from \$1.629 billion on Tuesday. "The dollar-peso closed higher after US JOLTS data released overnight supported hawkish Fed bets, alongside safe-haven demand amid uncertainty surrounding the US-Iran peace deal," a trader said by phone. The local unit dropped along with other regional currencies as the Japanese yen sank to new lows, Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message. For Thursday, Mr. Ricafort expects the peso to range from P61.50 to P61.70 against the dollar. Meanwhile, the trader said the market will monitor the release of more US labor data. "The expectation is a bit lower, but a better than expected reading may further fuel expectations of a Fed rate hike this year to push the pair to retest the P61.75-per-dollar level. On the flipside, we see immediate support at P61.10." The dollar rose as high as ¥162.84, well above levels that prompted Japanese authorities to intervene a few weeks ago to support the struggling currency. It was last at ¥162.71 yen, up 0.1% on the day. Ahead of Thursday's nonfarm payrolls report, data overnight showed US job openings rose to a two-year high in May, though sluggish hiring weighed on consumers' perceptions of the labor market. Job openings, a measure of labor demand, had increased 9,000 to 7.594 million by the last day of May, the highest level since May 2024, the Labor Department's Bureau of Labor Statistics said in its Job Openings and Labor Turnover Survey, or JOLTS report. Economists polled by Reuters had forecast 7.30 million vacancies in May. But some economists said the JOLTS report should be treated with caution, noting the response rate to the survey was very low.

<https://bworldonline.com/banking-finance/2026/07/02/760423/peso-tumbles-to-over-three-week-low/>

- ✓ **TDF yield climbs on hawkish BSP, Fed.** The Central Bank's term deposit facility (TDF) fetched a higher average yield on Wednesday, even as the offer continued to be oversubscribed, amid expectations of hawkish monetary policy here and in the United States. The seven-day term deposits auctioned off by the Bangko Sentral ng Pilipinas (BSP) attracted P146.927 billion in tenders this week, higher than P110 billion up for sale but slightly below the P147.021 billion in bids recorded for the same offer volume previously. As a result, the bid-to-cover ratio went down to 1.3357 times from the 1.3366 ratio seen last week. Still, the BSP made a full P110-billion award of its offer. Accepted rates for the one-week papers were from 4.25% to 4.7449%, a tad wider than the 4.25% to 4.74% band seen in the previous auction. This caused the weighted average accepted rate for the term deposits to rise by 5.72 basis points (bps) week on week to 4.6816% from 4.6244%. The seven-day term deposit's average yield climbed amid hawkish policy signals from both the BSP and the US Federal Reserve, Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message. The Philippine central bank has already signaled further hikes as it expects inflation to remain elevated, and he said the P85 minimum wage hike in Metro Manila could lead to additional second-round price effects. Still, the TDF average auction rate remained below the BSP's overnight borrowing rate of 4.75%, Mr. Ricafort noted, which was supported by the strong demand seen for the offering that likely reflects excess liquidity in the banking system. The Monetary Board on June 18 raised benchmark interest rates by 25 bps for a second straight meeting to address persistent price pressures from the Middle East war-driven oil shock and keep inflation expectations anchored.
<https://bworldonline.com/banking-finance/2026/07/02/760490/tdf-yield-climbs-on-hawkish-bsp-fed/>

- ✓ **Philippine GDP likely grew 2.6% in Q2, says UA&P.** The Philippine Economy is expected to have further slowed in the second quarter, as gross domestic product (GDP) growth likely eased to 2.6% due to elevated inflation and weaker domestic demand, the University of Asia and the Pacific (UA&P) said. "The Philippine economy is posting early signs of recovery momentum, but the outlook remains constrained by elevated inflation and weaker domestic demand," UA&P said in its latest The Market Call report. "Against this backdrop, we estimate second-quarter (Q2) GDP growth at 2.6%, with consumption and investment likely weighed down by recent headwinds," it added. If realized, the 2.6% growth would be slower than the 5.44% expansion recorded in the second quarter of 2025 and the 2.8% growth in the first quarter this year. It would also mark the fourth straight quarter of weaker annual economic growth. Headline inflation quickened to 6.8% in May, easing from the 7.2% in April but still above the Bangko Sentral ng Pilipinas' (BSP) 2%-4% tolerance band. The BSP on Tuesday said June inflation likely settled within the 6% to 7%. If realized, inflation would remain above the government's target for a fourth straight month. "Inflation is likely to stay above target for the rest of the year, keeping the BSP on a tightening path where we expect an additional 50 basis points (bps) of rate hikes," UA&P said. To rein in inflation, the central bank has already raised its policy rate twice this year, bringing it to 4.75% in June. A further 50 bps of tightening would bring the benchmark rate to 5.25% by yearend.
<https://bworldonline.com/top-stories/2026/07/02/760523/philippine-gdp-likely-grew-2-6-in-q2-says-uap/>

- ✓ **BSP: Banks' AI governance framework must be fair, accountable, secure.** The Bangko Sentral ng Pilipinas (BSP) has reminded banks and financial institutions who are developing their artificial intelligence (AI) governance framework to incorporate measures for sustainability, transparency, accountability, social fairness, and security. The reminder is part of the BSP's guidance paper on "Governance Principles for Artificial Intelligence (AI) in Financial Services," which it released last week. BSP Deputy Governor Lyn Javier said the paper will help financial institutions formulate their own AI governance policies and risk management frameworks, given the backdrop of an AI environment that continues to advance and integrate into the financial sector. "Financial institutions must establish effective controls and safeguards against the attendant risks of AI adoption, such as data privacy concerns, bias leading to unfair and discriminatory practices, and misuse of technology, among others," Javier said. "It is recommended that financial institutions formally develop their own AI Governance Framework, proportionate to the nature, extent, scale, complexity, and materiality of their AI systems, as well as the institution's overall operational complexity and risk profile, following the principles put forth in the guidance paper," she added.
<https://malaya.com.ph/business/corporate/bsp-banks-ai-governance-framework-must-be-fair-accountable-secure/>

- ✓ **BSP says wholesale CBDCs can reduce transaction costs, lags.** Cross-Border Payments, including remittances and institutional transfers, and financial securities settlement are among the most promising applications for a wholesale central bank digital currency (wCBDC) in the Philippines, the Bangko Sentral ng Pilipinas (BSP) said. A report on the central bank's Project Agila, its pilot project to explore the potential introduction of wCBDCs in the country and possible use cases, showed that wCBDCs have the potential to address gaps in the country's payments space and bring down transaction costs. "Wholesale CBDCs can enhance efficiency in the payments infrastructure and develop new financial services that could address evolving needs in the national payments ecosystem," BSP Governor Eli M. Remolona, Jr. said in a statement. CBDCs are issued as direct central bank liabilities. Wholesale CBDCs are designed for use by banks and other financial institutions to settle interbank payments, securities transactions, and cross-border payments, among others. Similar to the current Real-Time Gross Settlement (RTGS) system, wCBDC would allow each bank to maintain an account with the BSP, and balances would be credited or debited based on transactions with other banks. "The key difference is in the use of distributed ledger technology (DLT), which enables greater automation, faster processing, and lower transaction costs." "Cross-border payments and interbank transfers offer the most immediate and substantial benefits due to their existing scale and economic importance," the central bank said, noting that overseas remittances account for 10% of nominal gross domestic product, while banks' gross cross-border transactions account for 14% of total banking assets. Remittance efficiency would be improved as the technology could reduce costs and settlement lags, which would increase recipients' disposable income, and, as a result, boost domestic consumption. "Enhanced cross-border transaction efficiency reduces bank costs and improves international operations," it added. "Given the significant proportion of GDP and banking assets involved, adopting wCBDC in this area could have profound impact; even 10-20% efficiency gains could yield substantial economic benefits."
<https://bworldonline.com/banking-finance/2026/07/02/760424/bsp-says-wholesale-cbdc-can-reduce-transaction-costs-lags/>

- ✓ **NCR retail price growth slows to 2-month low in May.** Retail Price Growth of general goods in Metro Manila grew to its slowest pace in two months in May, driven by an easing in prices of mineral fuels and lubricants, the Philippine Statistics Authority (PSA) said. Citing preliminary data, the PSA said the general retail price index (GRPI) in the National Capital Region (NCR) rose by 4% year on year in May, faster than the 0.8% growth posted in the same month a year earlier. Month on month, growth slowed from 4.5% posted in April. The May reading was the slowest in two months or since 3.3% logged in March. In the January-to-May period, GRPI averaged 3.2%, more than double the 1.1% pace in the same period a year earlier. "The downtrend in the annual growth rate of the GRPI in May 2026 was primarily brought about by the slower annual increment in the index of mineral fuels, lubricants, and related materials at 36.6% from 51.3% in the previous month," the PSA said. The subindex for mineral fuels, lubricants, and related materials accounted for 4.17% of the GRPI. The heavily weighted food subindex, which accounted for 37.5% of the GRPI, likewise saw a softer rise of 3.1% in May compared with 3.2% posted in April. On the other hand, commodity groups that posted stronger growth were beverages and tobacco (1.8% in May from 1.6% from April); chemicals, including animal and vegetable

oils and fats (3% from 2.9%); manufactured goods classified chiefly by materials (1.9% from 1.8%); and machinery and transport equipment (3.3% from 2.8%). Meanwhile, growth rates steadied in crude materials, inedible except fuels (4.6%); and miscellaneous manufactured articles (1.1%). The GRPI is based on 2012 constant prices.

<https://bworldonline.com/top-stories/2026/07/02/760521/ncr-retail-price-growth-slows-to-2-month-low-in-may/>

- ✓ **SEC shuts down Bridge Cash online lending app over fraud allegations.** The Securities and Exchange Commission (SEC) has issued a cease-and-desist order (CDO) against Bridge Cash, directing it to stop engaging in unauthorized lending activities. In its order, the SEC Enforcement and Investor Protection Department (EIPD) ordered Bridge Cash to immediately stop processing online lending activities and to cease operating applications, online lending platforms (OLPs), and messaging channels under the name Bridge Cash or any variation thereof. The order covers the company's website, as well as its operators, owners, administrators, officers, representatives, agents, promoters, and all persons acting on its behalf. The SEC also ordered Bridge Cash to cease deceptive, unfair, fraudulent, and unauthorized lending practices, and to stop falsely claiming affiliation with First Digital Finance Corporation or any other legitimate, SEC-registered financing or lending company. The directive follows complaints from Bridge Cash borrowers alleging that the entity disbursed substantially lower loan proceeds due to undisclosed deductions and hidden fees, while still requiring borrowers to repay the full loan amounts within short periods ranging from five to seven days. An SEC investigation revealed that Bridge Cash is not registered as a corporation with the Commission and, consequently, has not been issued a certificate of authority to engage in lending or financing activities.
<https://mb.com.ph/2026/07/01/sec-shuts-down-bridge-cash-online-lending-app-over-fraud-allegations>
- ✓ **PCCI: Businesses turn to automation to offset ₱85 wage hike.** The Philippine Chamber of Commerce and Industry (PCCI) warned that the newly mandated ₱85 daily minimum wage hike could exacerbate inflation and force businesses to accelerate automation, calling for government intervention to lower the cost of living instead of relying solely on wage adjustments. While the country's largest business organization acknowledged the authority of the Department of Labor and Employment (DOLE) and the Regional Tripartite Wages and Productivity Board in issuing the order for the National Capital Region, it stressed that wage determination must weigh the survival of micro, small, and medium-sized enterprises against the financial demands of the workforce. PCCI President Perry A. Ferrer affirmed that employers intend to comply with the mandate when it takes effect. However, he cautioned that significant shifts in labor costs without corresponding gains in productivity could trigger a broader economic slowdown, ultimately weakening the Philippines' competitiveness and discouraging inbound investments. Ferrer urged the government to prioritize structural economic reforms over localized wage adjustments. He emphasized that lowering the costs of basic commodities, transport, fuel, and utilities would provide more sustainable relief for the entire domestic population, rather than benefiting only selected formal sectors.
<https://mb.com.ph/2026/07/01/pcci-businesses-turn-to-automation-to-offset-85-wage-hike>
- ✓ **BPI OKs deposit and withdraw via grocery cashiers for free.** The Bank of the Philippine Islands (BPI) now allows customers to deposit money into their BPI accounts through cashiers of supermarkets and other stores. This expands the program, which initially allowed for withdrawals only and opening an account. BPI said over 1,300 branches of select supermarkets, pharmacies, pawnshops, department stores, and convenience stores are integrated into the system. Customers can deposit or withdraw in the cashiers using a barcode generated through the BPI app for free. The bank has also partnered with over 7,000 branches of various stores nationwide to allow customers to make a bank account, apply a credit card via the cashiers who will be trained by BPI. This expands the bank's reach across the country even without the need for customers to go to the physical branches of BPI. "The idea is we decongest the branches. 50 percent of transactions in branches are still deposits and withdrawals," BPI President TG Limcaoco said. BPI officials added that this service will make it easier for Filipinos to transact with the bank without having to go to the branches which they said can make some feel intimidated. This service also extends banking hours since once can also withdraw in select convenience stores which operate 24/7. "Everywhere you go, we embed ourselves into your daily life so banking is not a chore anymore, it's part of your daily lives," said Rally Jereza, BPI Agency Banking Head. This new service will also be helpful for Overseas Filipino Workers who have BPI accounts to send money to their relatives in the Philippines without paying a remittance fee. The OFW just needs to send the generated barcode to their family who can then show it to cashiers for withdrawals within the allotted timeframe.
<https://www.abs-cbn.com/news/business/2026/7/1/bpi-oks-deposit-and-withdraw-via-grocery-cashiers-for-free-2034>
- ✓ **AUB leverages generative AI, digitalization as it eyes continued growth.** Asia United Bank Corp. (AUB) has crafted a strategic roadmap showing how it aims to leverage technology and artificial intelligence (AI) to ensure continued growth despite domestic and global economic challenges. AUB is integrating generative AI across its operations in response to evolving customer needs, it said. "Moving beyond basic operational efficiency, AUB is actively deploying generative AI to provide real-time, personalized financial advice to its millions of digital users and leveraging predictive analytics to offer pre-approved credit lines to micro, small, and medium enterprises (MSMEs)," it said in a statement on Wednesday. It added that it has increasingly digitalized its operations, especially with the growth of its e-wallet HelloMoney, which reached nearly 9 million users at end-2025. "Simultaneously, AUB PayMate has solidified its place as a leading digital payment acceptance platform for QR Ph, Mastercard, Visa, and major international wallets," the bank said. "In 2026, the bank is scaling this merchant ecosystem further with the rollout of AUB PayMate Business, introducing automated invoicing and real-time inventory financing tailored specifically for MSMEs." AUB expects its future growth to be supported by its strong capital position, it added. "The bank remains focused on maintaining capital strength to confidently seize new market opportunities." "At AUB, we view shifting economic horizons not as boundaries that constrain us, but as frontiers we are already crossing," said AUB President Manuel A. Gomez. "By seamlessly connecting traditional banking stability with the limitless possibilities of digital innovation, we have built a bridge capable of withstanding global uncertainty and generating long-term, sustainable value for our stakeholders, customers, and communities." AUB's net profit rose 1.8% to a record P3.2 billion in the first quarter from P3.14 billion a year prior.
<https://bworldonline.com/banking-finance/2026/07/02/760491/aub-leverages-generative-ai-digitalization-as-it-eyes-continued-growth/>
- ✓ **Aboitiz replaces legacy Cebu coal plant with battery storage project.** Aboitiz Power Corp. broke ground on a 60-megawatt standalone battery energy storage system in Cebu, accelerating its grid-stabilization efforts in the region as more volatile renewable energy sources come online. Aboitiz Power Corp. said Wednesday, July 1 that the upcoming facility will be located within the Naga Power Plant Complex in Naga City. Once operational, the standalone battery asset will deliver contingency and regulating reserve services to mitigate fluctuations in the Visayas region's electricity supply and demand. The project is scheduled to commence commercial operations by 2027, aligning with the targets of the Philippine Energy Plan to integrate more variable renewable energy into the national grid. The Department of Energy has aggressively pushed for modern storage technologies to prevent power outages as the country shifts away from fossil fuels. Energy Undersecretary Mario Marasigan lauded the conglomerate's latest venture, emphasizing the critical role of storage technologies in the country's clean energy transition. While the government continuously invites investment in renewable energy technologies, it requires this specific technological support to create a reliable

and efficient system, Marasigan said. The development marks a major transformation for the site, which was originally established by the state-owned National Power Corp. in the 1980s. AboitizPower acquired the complex in 2018 through a government privatization program. To pave the way for the multi-billion peso battery asset, the company decommissioned and demolished the site's legacy coal and diesel-fired units. Local government officials are counting on the project to safeguard economic growth in the region, which has been hampered by intermittent power supply issues in recent years.

<https://mb.com.ph/2026/07/01/aboitiz-replaces-legacy-cebu-coal-plant-with-battery-storage-project>

- ✓ **San Miguel pumps P1.43T into economy from 2025 revenues.** San Miguel Corporation (SMC) distributed PHP1.43 trillion — about 95 percent of the PHP1.5 trillion in total revenues it generated in 2025 — back to suppliers, employees, investors, communities and the government, the company disclosed in its latest Sustainability Report. The report showed that the vast majority of the total economic value generated by SMC's Group-wide operations went back to supporting Philippine businesses, jobs, public revenues, and economic activity — underscoring the company's contributions to the wider economy. Around PHP995 billion of total revenues went to suppliers and operating expenses, helping support businesses across SMC's nationwide supply chain, and enabling them to sustain operations, generate income and provide employment in their communities. Some PHP221 billion went to taxes and other government payments, helping fund public services, infrastructure and social programs. Another PHP153 billion went to payments to providers of capital, including investors and shareholders. Meanwhile, PHP58 billion went to salaries and benefits for SMC's employees, while PHP560 million was invested in community development programs. SMC reported PHP79.6 billion in core net income, which it said would support growth and further investments. Its operating footprint includes 5,710 megawatts (MW) of total energy capacity, 225 kilometers of expressways, fuel refining capacity of 180,000 barrels per day in Bataan, and annual cement production capacity of 17.5 million metric tons. For social programs, SMC reached more than 200,000 individuals through volunteer programs nationwide.
<https://www.pna.gov.ph/articles/1278477>
- ✓ **Maynilad, Manila Water assure consumers of steady supply despite reduction in allocation.** Water concessionaires Maynilad and Manila Water assure customers that supply remains normal despite a reduction in the allocation of water from the Angat Dam in Bulacan. From 50 cubic meters per second in June, the National Water Resources Board has decided to reduce the allocation to the concessionaires to 48 cubic meters per second. Metro Manila and its neighboring areas get around 90 percent of their potable water needs from Angat Dam. But Maynilad said there is no water interruption yet despite the reduced supply. Even if the allocation is further reduced, Maynilad said the water supply will remain normal due to programs it put in place in anticipation of the effects of El Niño. "A key part of this improved readiness is Maynilad's Laguna Lake treatment capacity, which now totals 450 million liters per day (MLD) through Putatan Water Treatment Plants 1 and 2 and the Poblacion Water Treatment Plant, each with a design capacity of 150 MLD," Maynilad said in a statement. According to Maynilad, it has also increased its total treatment capacity from 2,700 MLD in 2019 to 2,873 MLD this year, supported by projects like modular treatment plants and deep wells.
<https://www.abs-cbn.com/news/business/2026/7/1/maynilad-manila-water-assure-consumers-of-steady-supply-despite-reduction-in-allocation-1532>



REST OF THE WORLD



- ✓ **Asian stocks rise after US tech gains, yen steady.** Asian equities rose on Wednesday (Jul 1) after capping their best quarter in 17 years, as a rally in chipmakers and signs of US economic resilience fuelled optimism about corporate earnings. Stocks advanced in Japan and Taiwan, lifting the MSCI Asia-Pacific Index 0.3 per cent. The gains came after a tech-fuelled rally lifted US stocks and a gauge of semiconductors. Markets in Hong Kong are closed for a public holiday. Brent edged 0.5 per cent higher to around US\$73.30 a barrel in early Asian trading, recouping some of the losses from Tuesday that were driven by expectations the US-Iran ceasefire would hold. Investors have looked past geopolitical tensions as fresh data reinforced the view that the US economy remains resilient. Steady US consumer spending and a still-solid labour market have helped ease concerns that higher energy prices and trade uncertainty would derail growth, bolstering confidence that companies can continue delivering strong earnings. "The markets have proven to be the ultimate grinder as they keep crushing it, despite a lot of hand-wringing that has gone along with this incredible rally that has endured deep sell-offs, the Iran war and a number of other outside influences," said JJ Kinahan at Cboe Global Markets.
<https://www.businesstimes.com.sg/companies-markets/capital-markets-currencies/asian-stocks-rise-after-us-tech-gains-yen-steady>
- ✓ **European shares close lower after rally, as concerns over US Fed rates and Iran peace deal linger.** European shares slipped on Wednesday (Jul 1), after a strong finish to the second quarter, as investors assessed indications that US interest rates could stay higher for longer, and the progress of US-Iran peace talks. The pan-European Stoxx 600 index closed 0.4 per cent lower after logging its strongest quarter since October 2020 in the previous session. The Stoxx tech index pulled back 1.2 per cent after logging its strongest quarterly performance since late 2001 in the previous session, with valuations now at par with US Wall Street rivals. The S&P 500 is up almost 10% this year, despite war, inflation and AI nerves. The S&P 500 and Nasdaq have surged about 15% and 21%, respectively, since the end of March, bouncing back from an Iran war-related slide for their best quarter in six years. The indexes are sitting on healthy gains for the year despite a slight pullback in June. All told, the S&P 500 and Nasdaq are up 9.55% and 12.79%, respectively, this year. The S&P 500 has clinched 24 record highs this year and is about 1.5% from hitting another. The Nasdaq has hit 20 record highs and is about 3.3% away from another. Among stocks, Primark owner Associated British Foods slipped 3.2 per cent after saying it still expects annual profit to be below the prior year's outcome. Swedish defence equipment maker Saab gained 3.3 per cent after signing a contract to deliver 16 Gripen E fighter aircraft to Ukraine in a deal worth about 24.6 billion Swedish crowns (about S\$3.3 billion). Paris-listed shares in SES topped the Stoxx 600 gainers with a 10 per cent rise after the US Federal Communications Commission said it would vote on setting up a new spectrum auction in 2027, which analysts say is positive for the company.
<https://www.businesstimes.com.sg/companies-markets/capital-markets-currencies/european-shares-close-lower-after-rally-concerns-over-us-fed-rates-and-iran-peace-deal-linger>
- ✓ **US Stocks Pull Back.** US equity indices trimmed their sharp gains from this week as markets continued to gauge risks of a Fed rate hike this year and how much room is left in the AI trade. The S&P 500 dropped 0.6%, the Nasdaq fell 1.5%, and the Dow decreased 250 points from its record high. Chip producers dropped after leading the rally for global stock markets, reigniting the AI trade despite lingering warnings that the

sector is overleveraged. Micron and Sandisk sank 8%, while Nvidia lost 3%. Hyperscalers making up the Magnificent 7 extended their rebound after sharply underperforming AI infrastructure companies since mid-May, with Microsoft, Amazon, and Alphabet trading higher. Also, Meta soared 8% after announcing plans to develop a cloud infrastructure business with access to AI computing power and models. On the earnings front, Nike was 3% down as it flagged a cautious outlook due to consumer anxiety.

<https://tradingeconomics.com/united-states/stock-market/news/563455>

- ✓ **Oil prices fall after Trump says U.S.- Iran talks in Qatar are doing well.** Oil prices fell Wednesday after President Donald Trump said U.S. talks with Iran in Qatar are going well. Brent crude futures, the international benchmark, traded 1.1% lower at \$72.12 per barrel by 10:01 a.m. ET. The contract dropped roughly 21% last month, notching its largest monthly decline since March 2020. U.S. West Texas Intermediate futures fell 0.66% to \$69.04. The contract dropped more than 20% in June, reflecting its worst monthly performance since late 2021. "As far as things are going, the denuclearization of Iran is moving along well" Trump told reporters. "They've had very good meetings and we'll see." Trump's son-in-law Jared Kushner and U.S. special envoy Steve Witkoff arrived in Doha, Qatar on Tuesday for indirect talks with Iran. The U.S. envoys are speaking with mediators and not directly with the Iranians, a Qatari government spokesperson said. The U.S. and Iran struck a 14-point memorandum of understanding on June 17 to pause fighting that had disrupted global oil flows through the strategically vital Strait of Hormuz. Located in the Persian Gulf between Oman and Iran, the Strait of Hormuz is one of the world's most critical energy choke points. The narrow waterway typically handles around 20% of the world's oil traffic. Iranian state media reported Wednesday that a ship ran aground in the Strait of Hormuz while using a route that was not approved by Tehran. The Islamic Republic identified the vessel as a foreign container ship, without providing further details.
<https://www.cnbc.com/2026/07/01/oil-prices-brent-wti-crude-trump-iran.html>
- ✓ **Gold Jumps 2% on Warsh's Remarks.** Gold prices surged 2% to \$4,090 per ounce on Wednesday, rebounding from near eight-month lows, as investors parsed comments from new Federal Reserve Chair Kevin Warsh and fresh US-Iran tensions raised doubts about Middle East stability. Speaking at the ECB's annual forum in Sintra, Portugal, Warsh acknowledged that inflation risks and expectations have eased in recent weeks but reaffirmed the Fed's commitment to returning inflation to its 2% target. He emphasized the central bank's focus on price stability, a stance he first outlined in his debut press conference last month. Warsh also reiterated his decision to abandon traditional "forward guidance" on interest-rate policy, marking a shift in the Fed's communication approach. Despite this, investors continued to bet on US rate hikes this year to curb inflation amid a robust labor market. Meanwhile, markets monitored updates from US-Iran peace talks in Qatar, though direct negotiations between the two sides remained unlikely.
<https://tradingeconomics.com/commodity/gold/news/563465>
- ✓ **Global funds revisit Indian stocks as oil, rupee risks recede.** Global fund managers are reassessing their retreat from Indian equities as a swift drop in oil prices to pre-Iran war levels and measures to stabilize the rupee have soothed key pain points for investment in Asia's third largest economy. Exchange data shows daily selling by global funds has slowed markedly in recent weeks. Meanwhile, analysis by Elara Capital reveals that inflows into U.S.-listed India-focused exchange traded funds turned positive last week for the first time in more than a month. Overseas investors cited stretched valuations alongside FX and oil risks for reallocating capital elsewhere. India's fall from grace also coincided with a global rotation into technology-heavy markets, with South Korea and Taiwan emerging as particular winners of the AI boom. Average allocations to India among emerging market funds dropped below 10% in April for the first time since early 2021, from a peak of 17.5% in August of 2024, according to figures from Copley Fund Research. Now though, the tide may be turning, with currency and crude pressures easing, and valuations in high-tech stocks showing signs of excess. "We have gradually reduced our India underweight in the pan-Asia strategies," primarily by doubling down on existing high-conviction holdings, said Vikas Pershad, a portfolio manager at M&G, which manages roughly \$450 billion.
<https://www.reuters.com/world/india/global-funds-revisit-indian-stocks-oil-rupee-risks-recede-2026-07-01/>
- ✓ **SGX to roll out post-trade custody model, changes to bid mechanics in July, cut board lots in October.** The Singapore Exchange (SGX) will allow depository agents to hold SGX-listed securities on behalf of clients in omnibus broker custody accounts from Jul 15, the bourse announced on Wednesday (Jul 1). The adoption of broker custody accounts "continues to rise", SGX noted. It added that there were six such accounts opened for every direct account opened with the Central Depository (CDP) from October 2024 to April 2026. An omnibus broker custody account combines the assets and trades of multiple customers under a single broker. "This change aligns Singapore's custody structure with global practice and is expected to make Singapore more attractive for international intermediaries and provide investors with more choices," SGX said. Its regulatory arm, Singapore Exchange Regulation (SGX RegCo), will subject depository agents to enhanced requirements and oversight. It will also implement minimum service standards for brokers and depository agents to facilitate the exercise of shareholder rights by their clients. These standards cover matters such as the handling of corporate actions and assisting attendance at shareholder meetings. SGX said the moves are to "ensure retail investors opting for broker custody accounts are well served".
<https://www.businesstimes.com.sg/companies-markets/sgx-roll-out-post-trade-custody-model-changes-bid-mechanics-july-cut-board-lots-october>
- ✓ **Eurozone Inflation Falls more than expected.** Eurozone consumer price inflation dropped to 2.8% in June 2026, down from 3.2% in May and below market expectations of 3.0%, according to preliminary data. This marks the lowest rate since February, before the Iran war disrupted energy supplies and pushed oil prices higher, though it remains above the European Central Bank's 2.0% target. Energy inflation eased significantly to 8.7% from 10.8%, while price growth also slowed for services (3.2% vs. 3.5%) and food, alcohol, and tobacco (1.6% vs. 1.9%). Non-energy industrial goods inflation held steady at 0.9%. The core rate, excluding energy and food, fell to 2.4% from 2.6% in May. Among major Eurozone economies, inflation slowed in Germany (2.4% vs. 2.7%), France (2.0% vs. 2.8%), and Italy (3.1% vs. 3.2%), but remained unchanged in Spain at 3.6%.
<https://tradingeconomics.com/euro-area/inflation-cpi/news/563375>
- ✓ **Dollar fades as Fed's Warsh softens inflation tone.** The dollar pared earlier gains on Wednesday after Federal Reserve Chair Kevin Warsh said that inflation expectations and inflation risks have eased in recent weeks, ahead of a closely watched jobs report due on Thursday. The Japanese yen, which had earlier slumped to a 40-year low against the greenback, rebounded as the dollar weakened. Warsh, speaking at an international panel, said U.S. central bankers would decide whether to raise interest rates when they convene for their next meeting. He added that questioners would "fail" to draw any forward guidance from him. The dollar has been underpinned by rising expectations of Fed rate hikes this year, as inflation runs well above the central bank's 2% annual target. "You can afford to wait and see how these

longer-term technological trends play out,” Englander added. “What we do see is that unit labor costs are very, very soft, and ultimately that’s what the Fed controls.” Even absent a more hawkish Fed stance, other forces are drawing capital to the United States and supporting the dollar, including the rapid adoption of artificial intelligence. A resilient labor market, which has produced far stronger job gains than expected for the past three months, has also bolstered the outlook for U.S. growth. Fed funds futures traders on Wednesday are pricing in 60% odds of a Fed rate hike by September, down from 65% on Tuesday. The dollar index, which measures the greenback against a basket of currencies including the yen and the euro, was last up 0.04% at 101.28

<https://www.cnn.com/2026/07/01/yen-sinks-to-four-decade-low-as-dollar-gets-yields-boost.html?searchterm=asia%20economy>

- ✓ **Meta is building a cloud business to sell excess AI computing power.** Meta Platforms is developing plans for a cloud infrastructure business that will sell access to AI computing power and models, setting up a new vector of competition with industry leaders like Amazon Web Services, Microsoft Azure and Google Cloud. Meta, which has been rushing to secure expensive data centres and other infrastructure to fuel its own artificial intelligence ambitions, is forming a business to generate revenue from excess computing power sold to outside customers, according to people familiar with the matter, who asked not to be named as the details aren’t public. One potential plan includes selling access to various AI models that are hosted on Meta’s existing AI infrastructure, an approach similar to AWS’s Bedrock offering, the people said. Meta would run the data centres and chips that power the models, including its own Muse Spark models, and charge developers to access them. The company is also considering selling access to “raw” computing capacity, akin to other so-called neocloud businesses like CoreWeave, the people said. Elon Musk’s SpaceX, which acquired his AI startup xAI in February, recently emerged as a key player in this space, renting access to its massive data centre in Memphis to Anthropic PBC earlier this year and striking a deal with Google. That strategy could help xAI generate more than US\$50 billion in revenue by 2028 and US\$100 billion by 2030, according to an estimate by Bloomberg Intelligence.

<https://www.businesstimes.com.sg/companies-markets/telcos-media-tech/meta-building-cloud-business-sell-excess-ai-computing-power>


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



peoplegoal

“ABILITY IS WHAT YOU’RE
CAPABLE OF DOING. MOTIVATION
DETERMINES WHAT YOU DO.
ATTITUDE DETERMINES HOW WELL
YOU DO IT.”

-Lou Holtz



www.peoplegoal.com

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

- | | |
|--|---|
| <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/ |
|--|---|

COMPILED AND PREPARED BY: JONAH HIPOLITO, BAIPHIL Management Team

DISCLOSURE: The BAIPHIL Market Watch (BMW) is for informational purposes only. The content of the BMW is sourced from third party websites and may be subject to change without notice. Although the information was compiled from sources believed to be reliable, no liability for any error or omission is accepted by BAIPHIL or any of its directors, officers or employees, and BAIPHIL is not under any obligation to update or keep current this information.

[Go To Homepage](#)