

FUND PERFORMANCE

ALFM MUTUAL FUNDS	PRICE	YTD
ALFM Money Market Fund, Inc.	130.17	0.28%
ALFM Peso Bond Fund, Inc.	371.85	0.21%
ALFM Dollar Bond Fund, Inc.	485.87	0.41%
ALFM Euro Bond Fund, Inc.	220.18	0.46%
ALFM Growth Fund, Inc.	222.47	-2.09%
Philippine Stock Index Fund Corp.	781.56	-2.51%
ALFM Global Multi-Asset Income Fund, Inc.	1.00	2.04%
ALFM Global Multi-Asset Income Fund, Inc. (PHP)	47.31	-0.94%

PAMI MUTUAL FUNDS	PRICE	YTD
Philam Managed Income Fund, Inc.	1.3249	0.28%
Philam Bond Fund, Inc.	4.4967	-2.98%
Philam Dollar Bond Fund, Inc.	2.5116	-0.95%
Philam Fund, Inc.	16.5516	-2.27%
PAMI Horizon Fund, Inc.	3.6888	-2.62%
Philam Strategic Growth Fund, Inc.	478.49	-2.15%
PAMI Equity Index Fund, Inc.	45.5533	-2.76%
PAMI Global Bond Fund, Inc.*	1.0569	-3.28%
PAMI Asia Balanced Fund, Inc.*	1.1501	-0.01%

OTHER BIMI MANAGED FUNDS	PRICE	YTD
Ekklesia Mutual Fund Inc.	2.2596	-1.59%
Solidaritas Fund, Inc.	2.0634	-1.47%
Affinity Global Multi-Asset Fund, Inc.	0.9884	-1.64%

*As of June 11, 2021

ECONOMIC INDICATORS	LEVEL
USD/PHP	47.89
EUR/PHP	57.99
PSEi	6,917.49
Dow Jones	34,393.75
S&P 500	4,255.15
FTSE	7,157.83
US 10Yr	1.494%
Brent	\$72.86
Dubai	\$70.78
Gold	\$1,866.18

NOTES FROM THE FUND MANAGER

Fixed Income

US headline inflation rose higher than expected at 5% year-on-year in May, while the core consumer price index measure (ex volatile food and energy components) rose 3.8% year-on-year. Markets seemed to overlook the rise in CPI and supported the Fed's view that inflation is transitory as the move higher was primarily driven by segments reliant on microchips like used and new cars and categories affected by the economic reopening like airlines and clothing. Yields on the 10 year US Treasuries fell by about 7 bps week-on-week, closing at 1.496% on June 14. All eyes are on the FOMC meeting on June 17 where markets do not expect any changes in the policy rate but look to the Fed's rhetoric for direction, particularly any remarks on inflation or any indications of tapering.

In the local space, yields tracked the decline in US Treasuries last week falling to the lowest levels since February- March this year. We saw a flatter local yield curve with yields falling about 2.5 bps for the 3 year securities while the 5 yr bond yields fell 28 bps and the 7yr-20 yr bond yields fell about 20-22 bps. However, we are seeing some retracement to start the week following slightly higher US Treasury yields as markets stay defensive ahead of the FOMC meeting. As PHP 121 Bn of retail treasury bond R3-9 matured on June 13, we saw another strong Philippine Treasury bills auction on June 15 with yields falling another 5-7 bps and the BTr once again increasing issue size for each tenor to PHP 7 Mn. 91-day, 182-day and 364-day bills were awarded at 1.118%, 1.372%, and 1.577% respectively. On June 15, the BTr reissued PHP 35 Bn of 10 yr paper FXTN 10-65 with an average yield of 3.719%, in line with secondary market levels, and offered an additional PHP 10 Bn via tap facility given the strong demand at auction. We look to see how the market will digest this 10 yr issuance this week. Next week the BTr will be auctioning off another PHP 35 Bn worth of 5-year bonds.

USDPHP rose by about 24 cents closing at 47.895 on June 14 as corporate demand rose, as well as higher US rates.

Equities

The Philippine Stock Exchange (PSEi) closed at 6,976.73 ('21 est. PE of 19.6x) on June 15, up 2.45% week-on-week primarily as investors reacted to news on the increase in vaccine supply and the acceleration of vaccinations. During the trading week, investor flows pushed AEV (+9.80%) to be the best performer, while RRHI (-3.37%) was the worst performer due to profit taking following its rise last week. Average daily turnover for the week slightly picked up to Php6.60Bn, with index names ALI, BDO, and SMPH being the most highly traded stocks. Net foreign inflows for the week amounted to USD18.73Mn. We expect the index to test 7,000 in the near-term due to the marginal increase in capacity for certain establishments in the current GCQ set-up in Manila, with the market also likely to consolidate as it remains to be at overbought levels.

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