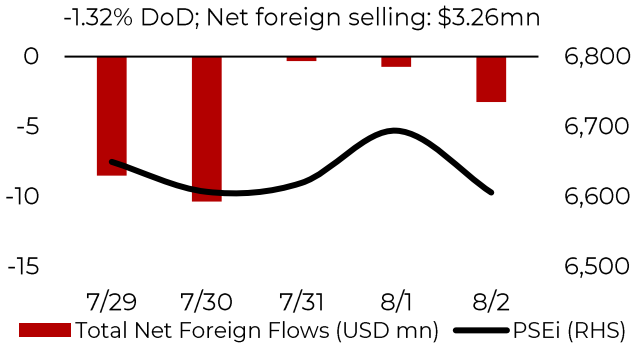


# The Morning View

August 5, 2024

## Philippine Stock Exchange Index



	Level	DoD
PSEi	6,605.30	-1.32%
3-mo bond yield	5.79%	+0.92 bps
2-yr bond yield	5.99%	-0.47 bps
10-yr bond yield	6.13%	+0.63 bps
USDPHP	58.08	-0.43%
Oil (Brent, \$ / barrel)	76.81	-3.41%

**The Philippine Gross Domestic Product (GDP) likely grew by 6.0% YoY in 2Q24, according to a BusinessWorld poll.** Analysts said higher government spending may have offset the impact of El Niño on agriculture. The Philippine Statistics Authority (PSA) will release the second-quarter GDP data on August 8, 2024.

**ACEN Corp. (PSEi Ticker: ACEN) looks to participate in the 4<sup>th</sup> round of the Green Energy Auction.** ACEN president and CEO Eric Francia remarked that it is dependent on the size of the bid and the tenor but raised concerns on the preparation time needed for the project itself.

**Local equities** fell as investors stayed on the sidelines ahead of the release of key local economic reports this week, including the second quarter GDP growth and the July inflation print. The PSEi closed at 6,605.30 (-1.32% DoD).

**Local fixed income yields** were mixed ahead of key US labor data. On average, yields rose by 0.10 bps, with the 2Y closing at 5.99% (-0.47 bps) and the 10Y closing at 6.13% (+0.63 bps).

The **Philippine peso** strengthened amid increased Fed rate cut bets following the rising jobless claims and softer-than-expected manufacturing data in the US. The USD/PHP pair closed at 58.08 (-0.43% DoD).

**The Organization of Petroleum Exporting Countries (OPEC) kept its oil production steady at an average of 26.99 million barrels per day in July**, 60,000 barrels a day less than in June. Venezuela, and Iran drove the decline amid faltering demand in China.

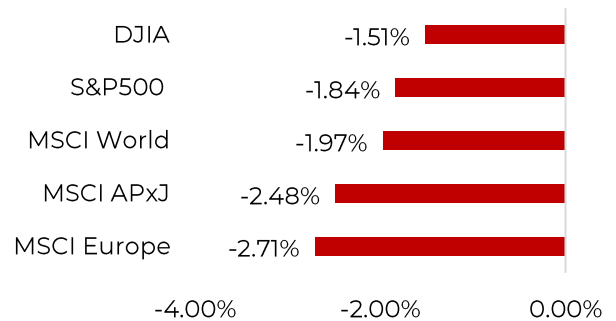
**US unemployment rate climbed to 4.3% in July (June: 4.1%), marking its highest level since September 2021.** This was amid a significant slowdown in hiring, with nonfarm payrolls only rising by 114,000 during the month (June: 206,000, consensus: 175,000).

**US equities** slumped on the back of disappointing earnings of Intel and Amazon. Recession fears also reemerged after the unexpected rise in unemployment rate and the below-consensus nonfarm payroll additions. The S&P 500 closed at 5,346.56 (-1.84% DoD) and the DJIA closed at 39,737.26 (-1.51% DoD).

**US Treasury yields** dropped after the weaker-than-expected July jobs report sparked concerns that the US economy is slowing down. On average, yields fell by 17.86 bps, with the 2Y closing at 3.88% (-26.80 bps) and the 10Y closing at 3.79% (-18.60 bps).

The **US dollar** weakened following the weaker-than-expected nonfarm payrolls data. Traders also weighed the uptick in unemployment and its implications on monetary policy. The DXY closed at 103.21 (-1.16% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,346.56	-1.84%
DJIA	39,737.26	-1.51%
3-mo US Treasury yield	5.19%	-7.50 bps
2-yr US Treasury yield	3.88%	-26.80 bps
10-yr US Treasury yield	3.79%	-18.60 bps
DXY	103.21	-1.16%

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