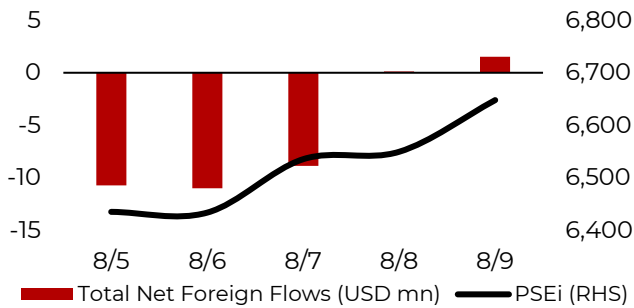


The Morning View

August 12, 2024

Philippine Stock Exchange Index

+1.50% DoD; Net foreign buying: \$1.53mn



	Level	DoD
PSEi	6,647.80	+1.50%
3-mo bond yield	5.84%	+1.34 bps
2-yr bond yield	6.03%	+2.03 bps
10-yr bond yield	6.15%	+0.01 bps
USDPHP	57.28	-0.06%
Oil (Brent, \$ / barrel)	79.66	+0.63%

A BusinessWorld poll showed that nine out of sixteen economists expect the Bangko Sentral ng Pilipinas (BSP) to cut interest rates by 25 basis points at its August 15 policy meeting.

The anticipated cut is driven by a need to support economic growth. However, some economists suggest that the BSP may hold off on cuts amid global economic uncertainty.

Ayala Land, Inc. (PSEi Ticker: ALI) will focus on utilization instead of land bank expansion. ALI Chief Finance Officer Bengzon remarked that ALI had 11,300 hectares of land bank as of end-FY23 and will utilize approximately 800 hectares per year over the next 5 years.

Local equities rose as investors looked ahead to the monetary policy decision of the BSP as well as the US inflation print this week. The PSEi closed at 6,647.80 (+1.50% DoD).

Local fixed income yields inched up as the market anticipated for the policy decision of the BSP this week. On average, yields rose by 0.79 bps, with the 2Y closing at 6.03% (+2.03 bps) and the 10Y closing at 6.15% (+0.01 bps).

The **Philippine peso** slightly strengthened as traders positioned ahead of the BSP's policy meeting and the US inflation data release later this week. The USD/PHP pair closed at 57.28 (-0.06% DoD).

Former Bank of Japan (BoJ) board member Makoto Sakurai remarked that the BoJ will be unable to raise rates again this year. He added that this was due to the market turmoil following the recent hike, and the low likelihood of Japan's economy seeing a rapid recovery.

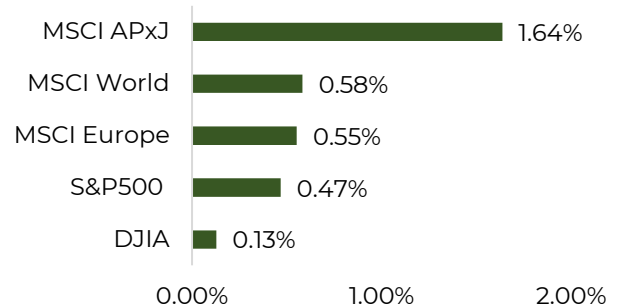
Federal Reserve Governor Michelle Bowman said that if inflation progress continues, it may be appropriate to gradually lower the key policy rate to avoid overly restrictive policy. She did not specify a timeline for the rate cuts but noted that more economic data will be available to consider before their September meeting.

US equities edged higher as mega-cap tech stocks ended higher. Investors are also awaiting the release of the July inflation, producer prices, and retail sales reports this week. The S&P 500 closed at 5,344.16 (+0.47% DoD) and the DJIA closed at 39,497.54 (+0.13% DoD).

US Treasury yields declined as investors awaited new signals on monetary policy ahead of Wednesday's consumer price inflation data. On average, yields fell by 2.65 bps, with the 2Y closing at 4.06% (+1.70 bps) and the 10Y closing at 3.94% (-5.00 bps).

The **US dollar** inched downwards as traders weighed dovish remarks from Michigan Fed Governor Bowman. The DXY closed at 103.14 (-0.07% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,344.16	+0.47%
DJIA	39,497.54	+0.13%
3-mo US Treasury yield	5.22%	-0.80 bps
2-yr US Treasury yield	4.06%	+1.70 bps
10-yr US Treasury yield	3.94%	-5.00 bps
DXY	103.14	-0.07%

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