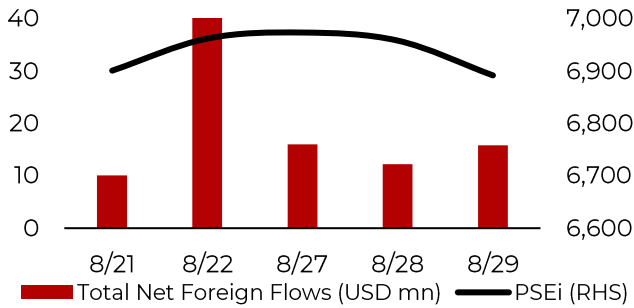


The Morning View

August 30, 2024

Philippine Stock Exchange Index

-0.96% DoD; Net foreign buying: \$15.81mn



	Level	DoD
PSEi	6,891.55	-0.96%
3-mo bond yield	5.91%	+0.25 bps
2-yr bond yield	6.01%	+0.39 bps
10-yr bond yield	6.07%	-0.69 bps
USDPHP	56.28	0.00%
Oil (Brent, \$ / barrel)	79.94	+1.64%

The Department of Finance announced that the Asian Development Bank (ADB) is nearing approval of a \$500-million loan to support the country's climate disaster mitigation efforts.

This loan is part of ADB's \$10-billion climate finance commitment for the Philippines through 2029, focusing on public transport, clean energy, and disaster risk management.

Converge ICT Solutions, Inc. (PSEi Ticker: CNVRG) plans to open two data centers by 2025.

The data centers will have a combined capacity of 13 megawatts and will offer up to 1,490 racks. CNVRG previously announced that it will allocate a Php5 billion budget over the next 3 years for its data center construction.

Local equities fell amid continued profit-taking and ahead of the MSCI rebalancing this week. Market sentiment was also pulled down by the weaker performance of the US stock market overnight. The PSEi closed at 6,891.55 (-0.96% DoD).

Local fixed income yields slightly rose ahead of the US Personal Consumption Expenditure inflation data. On average, yields rose by 0.25 bps, with the 2Y closing at 6.01% (+0.39 bps) and the 10Y closing at 6.07% (-0.69 bps).

The **Philippine peso** closed flat on cautious trading ahead of key US economic data, including the 2Q24 gross domestic product (GDP). The USD/PHP pair closed at 56.28 (0.00% DoD).

US Gross Domestic Product (GDP) growth for 2Q24 was revised upward to an annualized rate of 3.0% from the initial estimate of 2.8%. This upward revision was primarily driven by increased consumer spending, which more than compensated for reductions in business investment, exports, and private inventory investment.

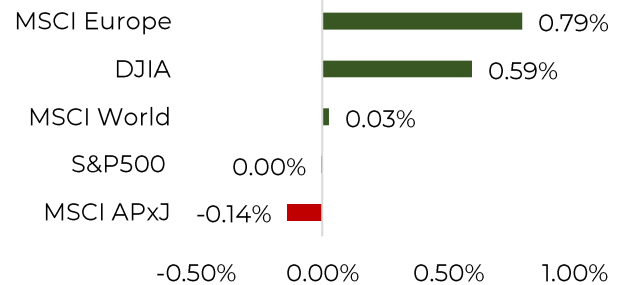
Tokyo inflation quickened to 2.4% in August from 2.2% the month prior. This was ahead of the consensus estimate of 2.2%. Inflation was driven by higher electricity costs, rising 24.2% from 19.7% the month prior. Inflation in Tokyo is considered a leading indicator for inflation nationwide.

US equities closed mixed as Nvidia stocks dropped despite the company's better-than-expected fiscal quarter results. Investors also digested the upward revision of the 2Q24 US GDP. The S&P 500 closed at 5,591.96 (0.00% DoD) and the DJIA closed at a fresh high of 41,335.05 (+0.59% DoD).

US Treasury yields rose as investors positioned ahead of the US PCE inflation release and weighed the upward revision of the US 2Q24 GDP. On average, yields rose by 1.57 bps, with the 2Y closing at 3.90% (+2.90 bps) and the 10Y closing at 3.86% (+2.60 bps).

The **US dollar** strengthened as traders weighed the upward revision of the 2Q24 US GDP which highlighted the resilience of consumer spending. The DXY closed at 101.34 (+0.25% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,591.96	0.00%
DJIA	41,335.05	+0.59%
3-mo US Treasury yield	5.13%	+1.50 bps
2-yr US Treasury yield	3.90%	+2.90 bps
10-yr US Treasury yield	3.86%	+2.60 bps
DXY	101.34	+0.25%

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