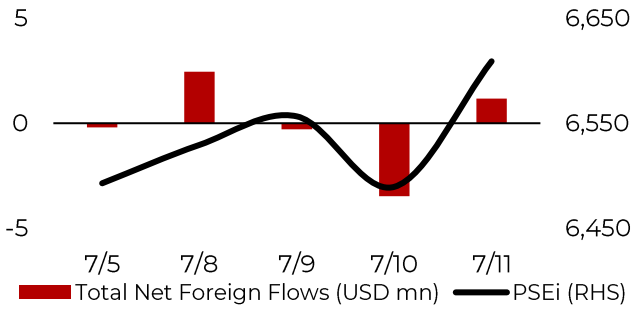


The Morning View

July 12, 2024

Philippine Stock Exchange Index

+1.85% DoD; Net foreign buying: \$1.18mn



	Level	DoD
PSEi	6,609.24	+1.85%
3-mo bond yield	5.71%	+4.64 bps
2-yr bond yield	6.10%	-1.04 bps
10-yr bond yield	6.25%	-3.31 bps
USDPHP	58.31	-0.03%
Oil (Brent, \$ / barrel)	85.40	+0.38%

The **Board of Investments (BoI)** approved Php950 billion of projects in 1H24, up by 36.1% YoY. Majority of approved investments were from domestic sources. Renewable energy investments accounted for the largest portion of approvals. Agriculture, forestry, fishing, and real estate saw growth during the period.

Aboitiz Equity Ventures, Inc.'s (PSEi Ticker: AEV) infrastructure arm, Aboitiz InfraCapital, earmarks Php4 billion to expand its Biz Hub industrial estate in Batangas. The expansion will add 40 hectares of mixed-use space and is expected to be completed by 2027.

Local equities rebounded following the dovish statements from Fed Chair Powell in his speech to lawmakers on Capitol Hill. Investors also positioned ahead of the June Consumer Price Index (CPI) inflation print in the US which was released overnight. The PSEi closed at 6,609.24 (+1.85% DoD).

Local fixed income yields inched down as investors awaited the release of key inflation data in the US. On average, yields fell by 0.25 bps, with the 2Y closing at 6.10% (-1.04 bps) and the 10Y closing at 6.25% (-3.31 bps).

The Philippine peso was flat ahead of the release of the June US CPI report. The USD/PHP pair closed at 58.31 (-0.03% DoD).

US CPI inflation eased to 3.0% YoY in June (May: 3.3%), below the market's expectation of 3.1%. Core CPI inflation likewise moderated to 3.3% YoY (May: 3.4%). The deceleration was mainly driven by lower gasoline prices and a slower rise in shelter costs.

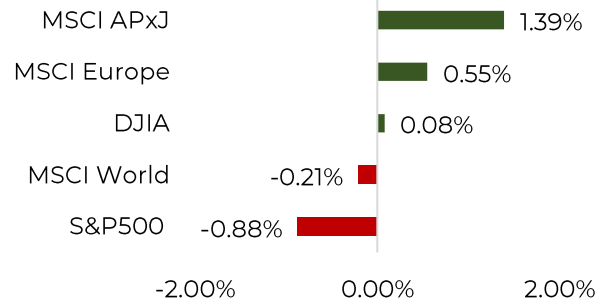
The United Kingdom's economy grew by 0.4% MoM in May amid strong expansion in services and a rebound in homebuilding. This was higher than the 0.2% consensus forecast and the 0.0% reading in April.

US equities closed mixed despite the positive inflation data as investors took profit from tech names. The S&P 500 closed at 5,584.54 (-0.88% DoD) and the DJIA closed at 39,753.75 (+0.08% DoD).

US Treasury yields fell as June consumer inflation decelerated to 3.0%, below consensus expectations of 3.1%. On average, yields fell by 6.90 bps, with the 2Y closing at 4.52% (-10.50 bps) and the 10Y closing at 4.21% (-7.40 bps).

The **US dollar** weakened as traders weighed the weaker-than-expected inflation data release which supports market's expectations of a rate cut in as early as September. The DXY closed at 104.44 (-0.58% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,584.54	-0.88%
DJIA	39,753.75	+0.08%
3-mo US Treasury yield	5.35%	-2.70 bps
2-yr US Treasury yield	4.52%	-10.50 bps
10-yr US Treasury yield	4.21%	-7.40 bps
DXY	104.44	-0.58%

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