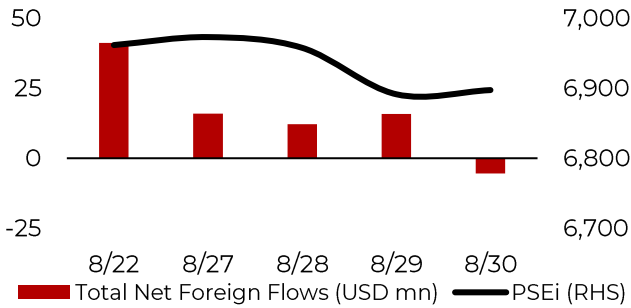


The Morning View

September 2, 2024

Philippine Stock Exchange Index

+0.09% DoD; Net foreign selling: \$5.45mn



	Level	DoD
PSEi	6,897.54	+0.09%
3-mo bond yield	5.92%	+0.30 bps
2-yr bond yield	6.01%	+0.05 bps
10-yr bond yield	6.07%	+0.04 bps
USDPHP	56.11	-0.31%
Oil (Brent, \$ / barrel)	78.80	-1.43%

The Bangko Sentral ng Pilipinas estimates local inflation to settle within 3.2% and 4.0% in August. Upward price pressures may come from higher electricity rates and commodity prices due to the inclement weather. The Philippine Statistics Authority (PSA) will release inflation data on September 5.

SM Prime Holdings, Inc. (PSEi Ticker: SMPH) looks to prioritize the expansion of its Philippines' mall businesses. Executive committee chairman Hans Sy added that its Chinese mall operations remain stable, but the environment remains to be competitive.

Local equities rebounded amid bargain hunting. Investors also took positive cues from the US after the upward revision of its 2Q24 GDP growth and the decline in the initial weekly jobless claims. The PSEi closed at 6,897.54 (+0.09% DoD).

Local fixed income yields inched higher amid cautious trading ahead of the US Personal Consumption Expenditure inflation data release. On average, yields rose by 0.41 bps, with the 2Y closing at 6.01% (+0.05 bps) and the 10Y closing at 6.07% (+0.04 bps).

The **Philippine peso** strengthened as traders digested the BSP's forecast that inflation likely decelerated in August. This was also ahead of the release of key inflation data in the US. The USD/PHP pair closed at 56.11 (-0.31% DoD).

US Personal Consumption Expenditures (PCE) inflation accelerated by 2.5% YoY in July after advancing by the same rate in June, in line with expectations. Excluding the more volatile food and energy components, core PCE climbed by 2.6% YoY, slightly below the 2.7% consensus.

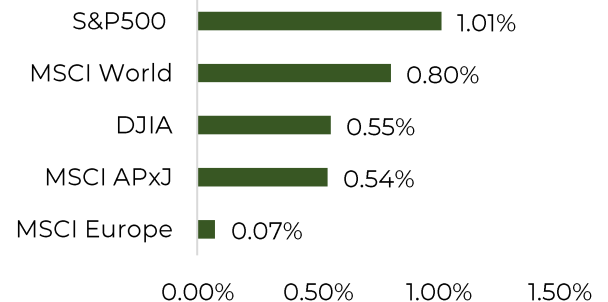
US Consumer Spending accelerates by 0.5% MoM (June: 0.3% MoM), in-line with economists' expectations. Consumer spending, accounting for more than two-thirds of US economic activity, was led by an increase in spending across both goods and services.

US equities rose as investors mulled over the July PCE inflation print, which was in line with consensus forecasts. The market also looked ahead to the US Federal Reserve's policy decision this month. The S&P 500 closed at 5,648.40 (+1.01% DoD) and the DJIA closed at a fresh high of 41,363.08 (+0.55% DoD).

US Treasury yields rose as investors weighed the July PCE inflation data in the US which was unchanged but remained above the Fed's 2% target. On average, yields rose by 2.31 bps, with the 2Y closing at 3.92% (+2.30 bps) and the 10Y closing at 3.91% (+4.20 bps).

The **US dollar** strengthened as traders digested the US July Consumer Spending which highlighted the resiliency of the US economy. The DXY closed at 101.70 (+0.35% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,648.40	+1.01%
DJIA	41,363.08	+0.55%
3-mo US Treasury yield	5.12%	-0.80 bps
2-yr US Treasury yield	3.92%	+2.30 bps
10-yr US Treasury yield	3.91%	+4.20 bps
DXY	101.70	+0.35%

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