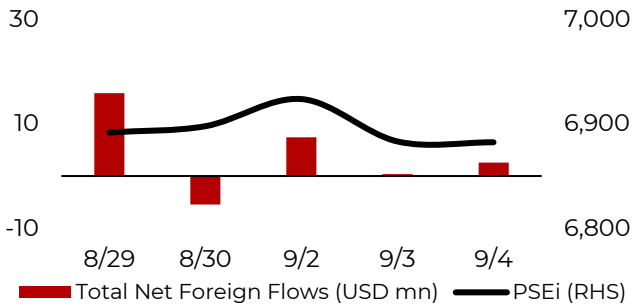


# The Morning View

September 5, 2024

## Philippine Stock Exchange Index

-0.01% DoD; Net foreign buying: \$2.58mn



	Level	DoD
PSEi	6,882.12	-0.01%
3-mo bond yield	5.92%	+0.12 bps
2-yr bond yield	6.02%	-0.14 bps
10-yr bond yield	6.10%	+0.99 bps
USDPHP	56.58	-0.05%
Oil (Brent, \$ / barrel)	72.70	-1.42%

**The Board of Investments (BoI) disclosed that 115 projects have been approved for green lane treatment, bringing investments eligible for expedited permit processing to over Php3.2 trillion.** This was after 13 more renewable energy projects were endorsed as priority investments, with a total cost of Php210.5 billion.

**Manila Electric Co. (PSEi Ticker: MER) boosts stake in SP New Energy Corp. (PSEi Ticker: SPNEC) to 50.5%.** MER will acquire an additional 5.8 billion shares valued at Php7.5 billion. SPNEC is developing a Php200-billion project that includes a 3.5-gigawatt (GW) solar plant and a 4.0-GW battery storage system.

**Local equities** inched down amid negative spillovers from the weak performance of the US stock market overnight and the below-consensus US manufacturing data. The PSEi closed at 6,882.12 (-0.01% DoD).

**Local fixed income yields** were mixed as traders positioned ahead of the August local inflation print. This was also ahead of key US jobs data releases. On average, yields rose by 0.27 bps, with the 2Y closing at 6.02% (-0.14 bps) and the 10Y closing at 6.1% (+0.99 bps).

The **Philippine peso** slightly strengthened amid the decline in oil prices and broad weakening of the US dollar. This was also ahead of the August local inflation print and US payroll data releases. The USD/PHP pair closed at 56.58 (-0.05% DoD).

**US job openings dropped to 7.67 million in July (June: revised 7.91, consensus: 8.10), marking its lowest level since January 2021.** Health care, government, trade, and transportation were among the sectors with fewer openings. Meanwhile, the ratio of job openings to job seekers edged lower to 1.10 in July (June: 1.24).

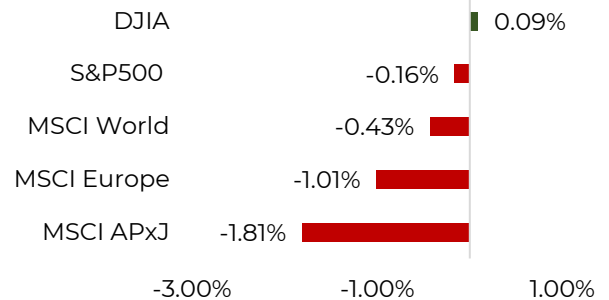
**The US Fed's Beige Book showed that 9 out of the 12 regional districts reported flat or declining economic activity from mid-July to late August.** This is attributed to slower consumer spending, manufacturing activity, and employment growth.

**US equities** closed mixed after the market digested the below-consensus July job openings data and the dovish remarks from Atlanta Fed President Bostic, saying that Fed officials can't wait for inflation to hit 2% before cutting. The S&P 500 closed at 5,520.07 (-0.16% DoD) and the DJIA closed at 40,974.97 (+0.09% DoD).

**US Treasury yields** tumbled as investors weighed the lower-than-expected US job openings data and the US Fed's Beige Book which showed flat or declining economic activity and cooling inflation. On average, yields fell by 7.64 bps, with the 2Y closing at 3.76% (-10.90 bps) and the 10Y closing at 3.76% (-7.60 bps).

The **US dollar** weakened as traders weighed the weaker-than-expected job openings which supported expectations for rate cuts later this year. The DXY closed at 101.36 (-0.46% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,520.07	-0.16%
DJIA	40,974.97	+0.09%
3-mo US Treasury yield	5.09%	-3.90 bps
2-yr US Treasury yield	3.76%	-10.90 bps
10-yr US Treasury yield	3.76%	-7.60 bps
DXY	101.36	-0.46%

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