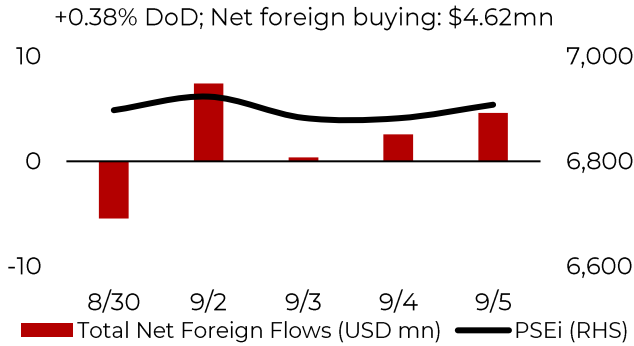


Philippine Stock Exchange Index



	Level	DoD
PSEi	6,907.97	+0.38%
3-mo bond yield	5.91%	-1.11 bps
2-yr bond yield	6.02%	+0.14 bps
10-yr bond yield	6.09%	-0.87 bps
USDPHP	56.21	-0.65%
Oil (Brent, \$ / barrel)	72.69	-0.01%

The Philippine Statistics Authority reported that local inflation decelerated to a seven-month low of 3.3% in August (July: 4.4%, consensus: 3.6%). The easing is attributable to a more moderate rise in food prices and a decline in transport costs. This brought 8M24 average inflation to 3.6%, which is within the central bank's 2.0-4.0% target.

Manila Electric Co. (PSEi Ticker: MER) boosts stake in SP New Energy Corp. (PSE Ticker: SPNEC) to 50.5% via convertible loan. The one-year Php6.7-billion convertible loan to Solar Philippines Power Project Holdings, Inc. is exchangeable to 5.8 billion SPNEC shares. These SPNEC shares will be paid from secondary shares.

Local equities soared as traders cheered the August local inflation print, which was cooler than previous month and was below consensus forecast. The PSEi closed at 6,907.97 (+0.38% DoD).

Local fixed income yields ended mixed but fell on average as investors digested the lower-than-expected August local inflation of 3.3%. On average, yields fell by 0.26 bps, with the 2Y closing at 6.02% (+0.14 bps) and the 10Y closing at 6.09% (-0.87 bps).

The **Philippine peso** strengthened following the weaker-than-expected job openings data in the US, boosting Fed rate cut bets. Investors also digested the below-consensus August local inflation data release. The USD/PHP pair closed at 56.21 (-0.65% DoD).

US Institute for Supply Management (ISM) services Purchasing Managers' Index (PMI) edged up to 51.5 in August (July: 51.4) and remained in expansionary territory. US services activity remained steady as new orders increased, but employment gains slowed.

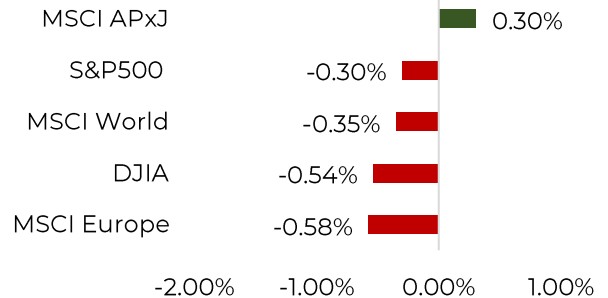
US weekly jobless claims inched lower by 5,000 to 227,000 for the week ended August 31. This came in below market consensus of 230,000. On the other hand, US private payrolls rose by 99,000 in August (July: revised: 111,000; consensus: 144,000), the smallest gain since January 2021.

US equities fell as investors digested the weaker-than-expected August private payrolls growth data. This was also ahead of this week's nonfarm payrolls report, which could set expectations for the Fed's next policy move. The S&P 500 closed at 5,503.41 (-0.30% DoD) and the DJIA closed at 40,755.75 (-0.54% DoD).

US Treasury yields fell after August US private payrolls came out lower than expected. This was also ahead of the nonfarm payrolls report release. On average, yields fell by 2.53 bps, with the 2Y closing at 3.75% (-1.20 bps) and the 10Y closing at 3.73% (-2.80 bps).

The **US dollar** weakened as traders digested a slew of labor data which showed a broad cooling of the US labor market, supporting expectations of rate cuts this year. The DXY closed at 101.11 (-0.25% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,503.41	-0.30%
DJIA	40,755.75	-0.54%
3-mo US Treasury yield	5.07%	-1.10 bps
2-yr US Treasury yield	3.75%	-1.20 bps
10-yr US Treasury yield	3.73%	-2.80 bps
DXY	101.11	-0.25%

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