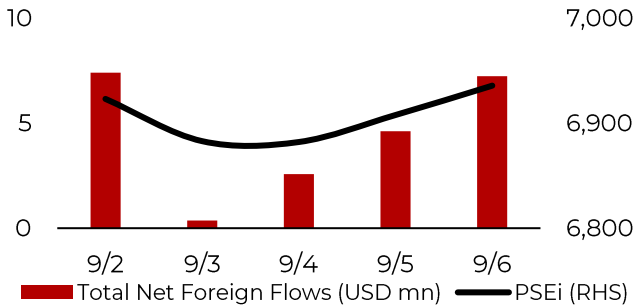


# The Morning View

September 9, 2024

## Philippine Stock Exchange Index

+0.41% DoD; Net foreign buying: \$7.25mn



	Level	DoD
PSEi	6,936.09	+0.41%
3-mo bond yield	5.92%	+0.81 bps
2-yr bond yield	6.02%	-0.06 bps
10-yr bond yield	6.08%	-1.38 bps
USDPHP	55.91	-0.54%
Oil (Brent, \$ / barrel)	71.06	-2.24%

**The Philippine Statistics Authority (PSA) announced that the unemployment rate jumped to 4.7% in July (June: 3.1%), reflecting 2.38 million jobless Filipinos.** National Statistician Mapa attributed the jump to higher youth unemployment, as some graduates entered the labor force but could not find jobs.

**PLDT Inc. (PSE Ticker: TEL) partners with First Gen Corp (PSE Ticker: FGEN) to power its facilities with renewable energy.** The partnership will power TEL's six network facilities in Mindanao. TEL added that this would allow the company to reduce greenhouse gas emissions by 13,000 per year.

**Local equities** extended gains as investors remained optimistic after the lower local inflation rate in August. Market sentiment was also lifted by the stronger local currency. The PSEi closed at 6,936.09 (+0.41% DoD).

**Local fixed income yields** were mixed but rose on average ahead of key US nonfarm payrolls data. On average, yields rose by 0.19 bps, with the 2Y closing at 6.02% (-0.06 bps) and the 10Y closing at 6.08% (-1.38 bps).

The **Philippine peso** strengthened following the softer-than-expected US private payrolls data, bolstering the case of Fed policy easing this month. This was also ahead of the US nonfarm payrolls report. The USD/PHP pair closed at 55.91 (-0.54% DoD).

**Federal Reserve Governor Waller backed an interest rate cut in the upcoming Federal Reserve meeting.** He also noted that he is open to larger cuts if data warrants it.

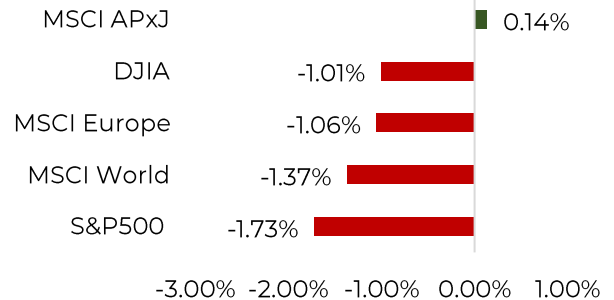
**US nonfarm payrolls rose by 142,000 in August (consensus: 165,000), after a downwardly revised 89,000 gain in July.** Employment growth was driven by the construction and healthcare sectors, while declines in retail and manufacturing tempered overall gains.

**US equities** declined as investors weighed the below-consensus nonfarm payroll growth in August, which stoked fears of a slowing labor market. The S&P 500 closed at 5,408.42 (-1.73% DoD) and the DJIA closed at 40,345.41 (-1.01% DoD).

**US Treasury yields** dropped after the nonfarm payrolls report showed a cooling labor market, reinforcing expectations of a Fed rate cut this month. On average, yields fell by 3.81 bps, with the 2Y closing at 3.65% (-9.60 bps) and the 10Y closing at 3.71% (-1.70 bps).

The **US dollar** slightly strengthened as traders weighed the weaker-than-expected nonfarm payrolls data release, supporting expectations of rate cuts later this year. The DXY closed at 101.18 (+0.07% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,408.42	-1.73%
DJIA	40,345.41	-1.01%
3-mo US Treasury yield	5.06%	-1.00 bps
2-yr US Treasury yield	3.65%	-9.60 bps
10-yr US Treasury yield	3.71%	-1.70 bps
DXY	101.18	+0.07%