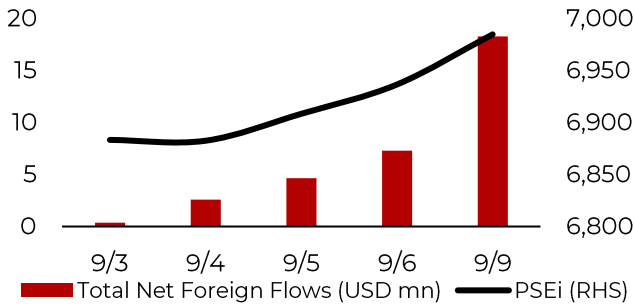


The Morning View

September 10, 2024

Philippine Stock Exchange Index

+0.69% DoD; Net foreign buying: \$18.20mn



	Level	DoD
PSEi	6,984.25	+0.69%
3-mo bond yield	5.89%	-2.64 bps
2-yr bond yield	6.01%	-1.06 bps
10-yr bond yield	6.09%	+1.57 bps
USDPHP	56.52	+1.10%
Oil (Brent, \$ / barrel)	71.84	+1.10%

The Bangko Sentral ng Pilipinas (BSP) reported that Philippine banks' non-performing loans (NPL) ratio hits an over two-year high of 3.58% as of July (June: revised: 3.51%). The increase is mainly attributable to elevated borrowing costs and faster loan growth.

Globe Telecom, Inc. (PSE Ticker: GLO) partners with First Gen Corp (PSE Ticker: FGEN) to power its facilities with renewable energy. GLO looks to expand its partnership with FGEN to increase its number of renewable-powered facilities from 29 to 70.

Local equities continued to gain, reaching a 19-month high on hopes of further rate cuts by the Bangko Sentral ng Pilipinas (BSP) amid expectations of easing inflation. The PSEi closed at 6,984.25 (+0.69% DoD).

Local fixed income yields inched up as investors positioned ahead of key US inflation data release. On average, yields rose by 0.76 bps, with the 2Y closing at 6.01% (-1.06 bps) and the 10Y closing at 6.09% (+1.57 bps).

The **Philippine peso** weakened as investors weighed mixed US labor data, including lower-than-expected nonfarm payrolls and downtick in unemployment rate. The USD/PHP pair closed at 56.52 (+1.10% DoD).

Japan's 2Q24 gross domestic product (GDP) growth was revised downwards to 2.9%, from an initial estimate of 3.1%. On a quarter-on-quarter basis, growth was revised lower to 0.7% from 0.8%. Downward revisions to capital expenditures and private consumption led to the downgrade in GDP growth data.

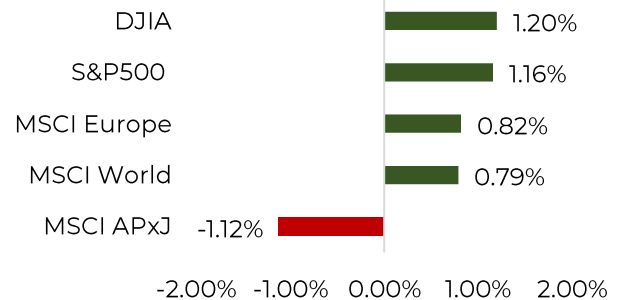
China's consumer price index (CPI) inflation rose less-than-expected by 0.6% YoY in August (July: 0.5%, consensus: 0.7%) amid higher food costs due to extreme weather. Meanwhile, producer price index (PPI) inflation fell by 1.8% YoY in the same month (July: -0.8%, consensus: -1.5%).

US equities rose as expectations of cooling US inflation data boosted investors' optimism over a Fed rate cut this month. Market consensus expects US CPI inflation to further ease to 2.5% YoY in August from 2.9% YoY in July. The S&P 500 closed at 5,471.05 (+1.16% DoD) and the DJIA closed at 40,829.59 (+1.20% DoD).

US Treasury yields ended mixed ahead of the August US CPI and PPI inflation data releases later this week. On average, yields fell by 0.47 bps, with the 2Y closing at 3.67% (+2.10 bps) and the 10Y closing at 3.70% (-1.00 bps).

The **US dollar** strengthened as traders positioned ahead of the US inflation data release later this week. The DXY closed at 101.55 (+0.37% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,471.05	+1.16%
DJIA	40,829.59	+1.20%
3-mo US Treasury yield	5.04%	-2.90 bps
2-yr US Treasury yield	3.67%	+2.10 bps
10-yr US Treasury yield	3.70%	-1.00 bps
DXY	101.55	+0.37%

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