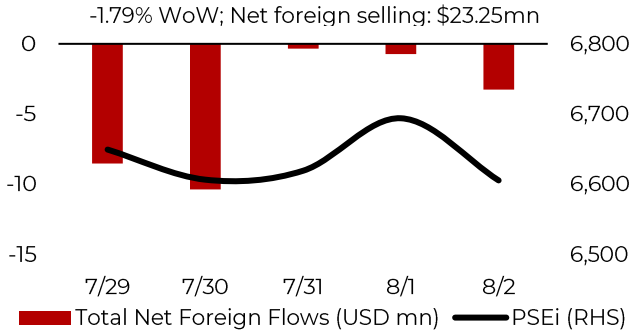


The Weekly Review

August 5, 2024

Philippine Stock Exchange Index



| | Level | WoW |
|--------------------------|----------|------------|
| PSEi | 6,605.30 | -1.79% |
| 3-mo bond yield | 5.79% | +5.77 bps |
| 2-yr bond yield | 5.99% | -4.52 bps |
| 10-yr bond yield | 6.13% | -14.31 bps |
| USDPHP | 58.08 | -0.46% |
| Oil (Brent, \$ / barrel) | 76.81 | -5.32% |

Local equities fell as market sentiment was dampened by expectations that the government debt may continue to rise. Investors also remained cautious ahead of key economic data releases in the US.

Top performers were Globe Telecom, Inc. (PSE Ticker: GLO; +4.43%), ACEN Corporation (ACEN; +3.99%), and LT Group, Inc. (LTG; +2.79%). Meanwhile, Wilcon Depot, Inc. (PSE Ticker: WLCON; -5.44%), Bloomerry Resorts Corporation (BLOOM; -7.18%), and Ayala Land, Inc. (ALI; -7.81%) were the laggards of the week.

▼ The PSEi closed at 6,605.30 (-1.79% WoW).

Local fixed income yields declined on increased Fed rate cut bets following soft US economic data. Investors also positioned ahead of local inflation data and a possible August rate cut from the Bangko Sentral ng Pilipinas.

▼ On average, yields fell by 5 bps, with the 2Y closing at 5.99% (-5 bps) and the 10Y closing at 6.13% (-14 bps).

The Philippine peso strengthened amid increased bets of a Fed rate cut as early as September following dovish remarks from Fed Chair Powell and cooling US labor and manufacturing activity data.

▼ The USD/PHP pair closed at 58.08 (-0.46% WoW).

US equities dropped as investors digested the lackluster results of Intel and Amazon last week. Moreover, recession fears reemerged after the July US Institute for Supply Management (ISM) manufacturing Purchasing Managers' Index (PMI) dropped to 46.8 (June: 48.5), the July unemployment rate rose to 4.3% (June: 4.1%), and the nonfarm payroll additions slowed to 114,000 in July (June: 179,000).

▼ S&P 500 closed at 5,346.56 (-2.06% WoW).

▼ DJIA closed at 39,737.26 (-2.10% WoW).

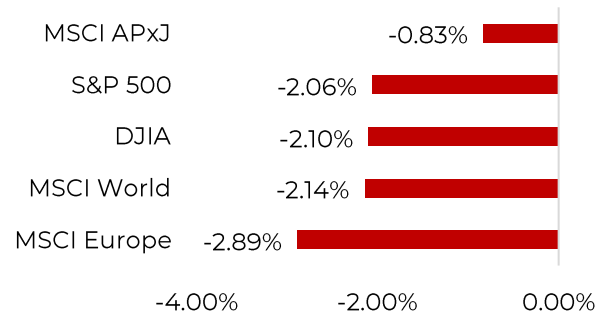
US Treasury yields dropped after the US Fed kept rates unchanged and Fed Chairman Powell signaled that a September rate cut is on the table. Investors also parsed through the softer-than-expected July jobs report and manufacturing PMI data in the US.

▼ On average, yields fell by 35 bps, with the 2Y closing at 3.88% (-50 bps) and the 10Y closing at 3.79% (-40 bps).

The **US dollar weakened** as traders digested the weaker-than-expected July nonfarm payrolls data release and the uptick in unemployment rate. Traders also weighed the US Fed's decision to keep rates steady and the possibility of rate cuts as early as September.

▼ The DXY closed at 103.21 (-1.06% WoW).

Global Stock Indices



| | Level | WoW |
|-------------------------|-----------|------------|
| S&P 500 | 5,346.56 | -2.06% |
| DJIA | 39,737.26 | -2.10% |
| 3-mo US Treasury yield | 5.19% | -11.30 bps |
| 2-yr US Treasury yield | 3.88% | -50.10 bps |
| 10-yr US Treasury yield | 3.79% | -40.40 bps |
| DXY | 103.21 | -1.06% |

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