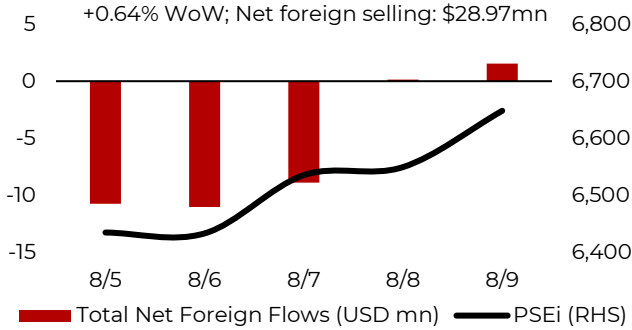


# The Weekly Review

August 12, 2024

## Philippine Stock Exchange Index



	Level	WoW
PSEi	6,647.80	+0.64%
3-mo bond yield	5.84%	+5.58 bps
2-yr bond yield	6.03%	+3.43 bps
10-yr bond yield	6.15%	+2.07 bps
USDPHP	57.28	-1.38%
Oil (Brent, \$ / barrel)	79.66	+3.71%

**Local equities rose** as investors digested the faster-than-expected July local inflation print of 4.4% (June: 3.7%) and the stronger 2Q24 Philippine Gross Domestic Product (GDP) growth of 6.3% (1Q24: revised 5.8%).

Top performers were Wilcon Depot, Inc. (PSE Ticker: WLCON; +7.19%), Converge Information and Communications Technology Solutions, Inc. (CNVRG; +7.14%), and ACEN Corporation (ACEN; +4.61%). Meanwhile, Aboitiz Equity Ventures, Inc. (PSE Ticker: AEV; -8.04%), JG Summit Holdings, Inc. (JGS; -8.20%), and Universal Robina Corporation (URC; -12.96%) were the laggards of the week.

▲ The PSEi closed at 6,647.80 (+0.64% WoW).

**Local fixed income yields rose** on the back of the quicker-than-expected July inflation report and after Bangko Sentral ng Pilipinas (BSP) Governor Remolona said that the BSP can afford to keep policy rates steady.

▲ On average, yields rose by 2 bps, with the 2Y closing at 6.03% (+3 bps) and the 10Y closing at 6.15% (+2 bps).

**The Philippine peso strengthened** amid increased bets of a Fed rate cut following the weaker-than-expected US labor data release.

▼ The USD/PHP pair closed at 57.28 (-1.38% WoW).

**US equities edged lower** following the recent policy rate hike of the Bank of Japan and the unexpected climb of the US unemployment rate to 4.3% in July (June: 4.1%). Losses were tempered by the rebound of the US Institute for Supply Management (ISM) services Purchasing Managers' Index (PMI) to 51.4 in July (June: 48.8) and the remarks from Chicago Fed President Goolsbee who downplayed recession fears.

▼ S&P 500 closed at 5,344.16 (-0.04% WoW).

▼ DJIA closed at 39,497.54 (-0.60% WoW).

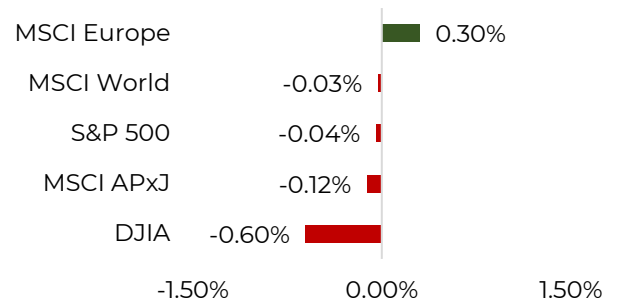
**US Treasury yields rebounded** as concerns around US unemployment data were tempered by the larger-than-expected drop in US weekly jobless claims. This was also following weak demand for the \$42-billion 10-year note auction.

▲ On average, yields rose by 13 bps, with the 2Y closing at 4.06% (+17 bps) and the 10Y closing at 3.94% (+15 bps).

The **US dollar slightly weakened** following renewed rate cut bets amid weaker-than-expected US labor data and an uptick in unemployment rate. This was tempered by Chicago Fed President Goolsbee who remarked that he is not seeing a recession yet.

▼ The DXY closed at 103.14 (-0.07% WoW).

## Global Stock Indices



	Level	WoW
S&P 500	5,344.16	-0.04%
DJIA	39,497.54	-0.60%
3-mo US Treasury yield	5.22%	+3.50 bps
2-yr US Treasury yield	4.06%	+17.30 bps
10-yr US Treasury yield	3.94%	+15.00 bps
DXY	103.14	-0.07%