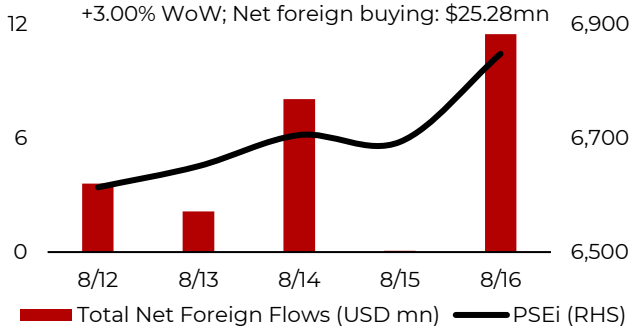


# The Weekly Review

August 19, 2024

## Philippine Stock Exchange Index



	Level	WoW
PSEi	6,847.37	+3.00%
3-mo bond yield	5.95%	+10.74 bps
2-yr bond yield	6.00%	-2.48 bps
10-yr bond yield	6.06%	-9.53 bps
USDPHP	57.245	-0.06%
Oil (Brent, \$ / barrel)	79.68	+0.03%

**Local equities jumped** as the market cheered the decision of the Bangko Sentral ng Pilipinas (BSP) to cut its policy rates by 25 bps last week.

Top performers were Converge Information and Communications Technology Solutions, Inc. (PSE Ticker: CNVRG; +19.00%), International Container Terminal Services, Inc. (ICT; +10.40%), and Ayala Land, Inc. (ALI; +10.33%). Meanwhile, Universal Robina Corporation (PSE Ticker: URC; -6.69%), Nickel Asia Corporation (NIKL; -7.16%), and Bloomberry Resorts Corporation (BLOOM; -7.59%) were the laggards of the week.

▲ The PSEi closed at 6,847.37 (+3.00% WoW).

**Local fixed income yields declined** as the BSP cut its policy rate by 25 bps to 6.25%. The BSP Governor also said that he expects further easing in October and December.

▼ On average, yields fell by 2 bps, with the 2Y closing at 6.00% (-2 bps) and the 10Y closing at 6.06% (-10 bps).

**USD/PHP: The Philippine peso slightly strengthened** as traders weighed the BSP's policy rate decision and easing US inflation data which buoyed hopes of a Fed rate cut as early as September.

▼ The USD/PHP pair closed at 57.25 (-0.06% WoW).

**US equities soared** as investors digested a slew of encouraging economic news last week, which bolstered the market's confidence about the health of the economy. This includes the below-consensus July Consumer Price Index (CPI) inflation of 2.9% YoY, the slower-than-expected July Producer Price Index (PPI) inflation of 2.2% YoY, and the strong July retail sales of 1.0% MoM.

▲ S&P 500 closed at 5,554.25 (+3.93% WoW).

▲ DJIA closed at 40,659.76 (+2.94% WoW).

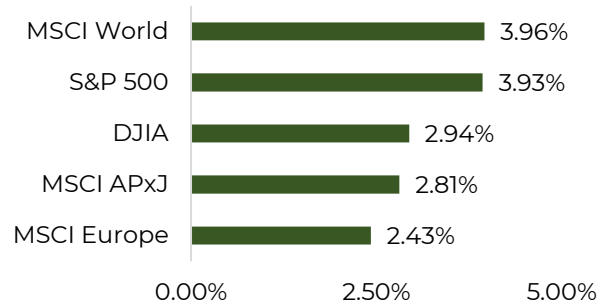
**US Treasury yields fell on average** as investors cheered the slower-than-expected July inflation readings in the US, which raised bets of a possible rate cut from the US Federal Reserve in its September policy meeting.

▼ On average, yields fell by 3 bps, with the 2Y closing at 4.05% (0 bps) and the 10Y closing at 3.88% (-6 bps).

The **US dollar weakened** following the weaker-than-expected US inflation data releases for July. Traders also weighed dovish remarks from Michigan Fed Governor Bowman and San Francisco Fed President Daly.

▼ The DXY closed at 102.46 (-0.65% WoW).

## Global Stock Indices



	Level	WoW
S&P 500	5,554.25	+3.93%
DJIA	40,659.76	+2.94%
3-mo US Treasury yield	5.22%	-0.50 bps
2-yr US Treasury yield	4.05%	-0.30 bps
10-yr US Treasury yield	3.88%	-5.80 bps
DXY	102.46	-0.65%