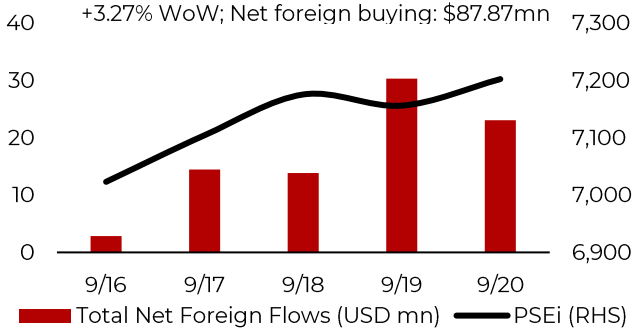


The Weekly Review

September 23, 2024

Philippine Stock Exchange Index



	Level	WoW
PSEi	7,252.32	+3.27%
3-mo bond yield	5.74%	-12.57 bps
2-yr bond yield	5.67%	-32.79 bps
10-yr bond yield	5.65%	-44.06 bps
USDPHP	55.69	-0.54%
Oil (Brent, \$ / barrel)	74.49	+4.02%

Local equities soared as the market digested positive developments last week, including the Fed's oversized policy rate cut and the Bangko Sentral ng Pilipinas' (BSP) announcement of a reduction in the Reserve Requirement Ratio¹ (RRR) for local banks.

Top performers were Nickel Asia Corporation (PSE Ticker: NIKL; +13.44%), Ayala Corporation (AC; +11.29%), and Universal Robina Corporation (URC; +10.14%). Meanwhile, GT Capital Holdings, Inc. (PSE Ticker: GTCAP; -1.29%), International Container Terminal Services, Inc. (ICT; -1.85%), and San Miguel Corporation (SMC; -5.03%) were the laggards of the week.

▲ The PSEi closed at 7,252.32 (+3.27% WoW).

Local fixed income yields declined as the US Federal Reserve cut its key interest rate by 50 bps. Markets also priced in the 2.5% RRR cut effective October 25.

▼ On average, yields fell by 30 bps, with the 2Y closing at 5.67% (-33 bps) and the 10Y closing at 5.65% (-44 bps).

The Philippine peso strengthened following a significant 50-bp rate cut from the Federal Reserve.

▼ The USD/PHP pair closed at 55.69 (-0.54% WoW).

US equities rallied as the market cheered the 50-bp cut of the US Federal Reserve. Moreover, the weekly jobless claims for the week ending September 14 dropped by 12,000 to 219,000 and fell below market consensus of 230,000, which signaled a resilient labor market. Overall, these fueled market's optimism that the Fed can achieve a soft landing and stoked investors' risk-on appetite.

▲ S&P 500 closed at 5,702.55 (+1.36% WoW).

▲ DJIA closed at 42,063.36 (+1.62% WoW).

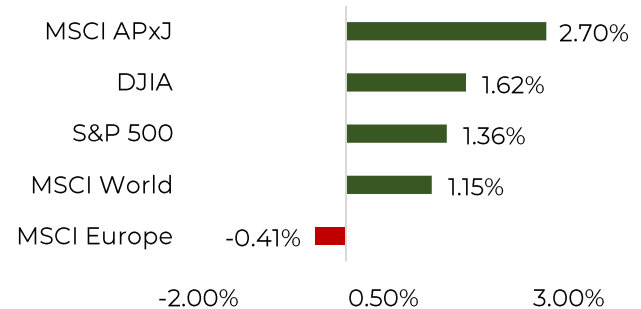
US Treasury yields ended mixed but fell on average as investors weighed the US Federal Reserve's half-percentage-point rate cut as well as Fed Chair Powell's comment saying that he does not see any indication of a recession.

▼ On average, yields fell by 1 bp, with the 2Y closing at 3.60% (+1 bp) and the 10Y closing at 3.74% (+9 bps).

The **US dollar weakened** following the Fed's decision to cut its policy rate by 50 bps to the 4.75%-5.00% range.

▼ The DXY closed at 100.72 (-0.39% WoW).

Global Stock Indices



	Level	WoW
S&P 500	5,702.55	+1.36%
DJIA	42,063.36	+1.62%
3-mo US Treasury yield	4.67%	-22.10 bps
2-yr US Treasury yield	3.60%	+1.10 bps
10-yr US Treasury yield	3.74%	+8.80 bps
DXY	100.72	-0.39%

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