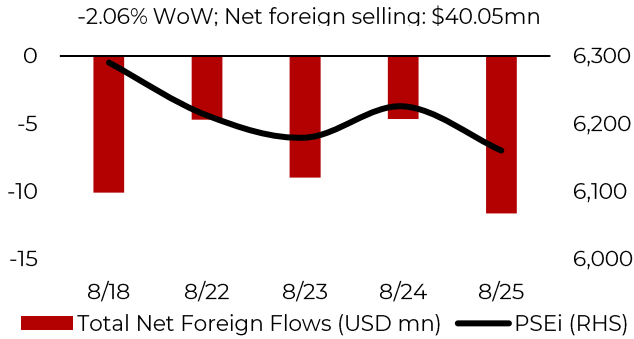


# The Weekly Review

AUGUST 29, 2023

## Philippine Stock Exchange Index



	Level	WoW
PSEi	6,160.61	-2.06%
3-mo bond yield	5.75%	-1.27 bps
2-yr bond yield	6.24%	-2.96 bps
10-yr bond yield	6.52%	-3.02 bps
USDPHP	56.57	0.69%
Oil (Brent, \$ / barrel)	84.48	-0.38%

The **Bangko Sentral ng Pilipinas (BSP)** Governor said the central bank is not considering cutting rates given elevated inflation. The Governor also said that sudden reversals in monetary policy will confuse markets and cause uncertainty.

**Local equities** ended lower amid profit taking and cautious trading ahead of US Fed Chair Powell's speech at the Jackson Hole Symposium. Investors also digested BSP Governor Remolona's remarks that the BSP may further tighten policy if needed, and China's cut in its key lending rates. The PSEi closed at 6,160.61 (-2.06% WoW).

Top performers were Monde Nissin Corp (PSE Ticker: MONDE; 2.33%), BDO Unibank Inc (BDO; 1.66%), and Aboitiz Power Corp (AP; 1.45%). Meanwhile, JG Summit Holdings Inc (PSE Ticker: JGS; -4.34%), Ayala Land Inc (ALI; -4.75%), and Bank of the Philippine Islands (BPI; -5.4%) were the laggards of the week.

**Local fixed income yields** fell amid the Jackson Hole Symposium in the US. On average, yields fell by 2.31 bps, with the 2Y closing at 6.24% (-2.96 bps) and the 10Y closing at 6.52% (-3.02 bps).

The **Philippine peso** weakened as investors weighed hawkish expectations and Chair Powell's remarks during the Jackson hole symposium. The USD/PHP pair closed at 56.57 (+0.69% WoW).

**US S&P Global Flash Composite PMI Index fell to 50.4 in August (July: 52)**, signaling a stagnation across the private sector amid subdued consumer demand. Services PMI slowed to 51.0, while manufacturing PMI fell into deeper contraction at 47.0.

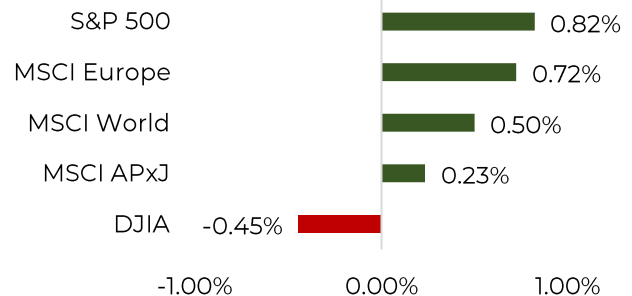
**US existing home sales dropped 2.2% MoM in July (June: -3.3%)** as homeowners refrained from selling their properties amid record-high mortgage levels, while limited inventory put upward pressure on home prices.

**US equities** were mixed following the decline in 10-year Treasury yields and a bullish outlook on tech earnings. Investors also took hints from Fed Chair Powell's commentary at the Jackson Hole symposium. The S&P 500 closed at 4,405.71 (+0.82% WoW) and the DJIA closed at 34,346.90 (-0.45% WoW).

**US treasury yields** were mixed investors awaited insights on the likely path of interest rates from central bankers at the Jackson Hole symposium. On average, yields gained 2.20 bps WoW with the 10Y closing at 4.24% (-1.80 bps).

The **US Dollar** strengthened as investors focused on Fed Chair Powell's remarks during the Jackson Hole symposium. The DXY closed at 104.08 (+0.68% WoW).

## Global Stock Indices



	Level	WoW
S&P 500	4,405.71	+0.82%
DJIA	34,346.90	-0.45%
3-mo US Treasury yield	5.51%	+6.10 bps
2-yr US Treasury yield	5.08%	+13.50 bps
10-yr US Treasury yield	4.24%	-1.80 bps
DXY	104.08	+0.68%

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