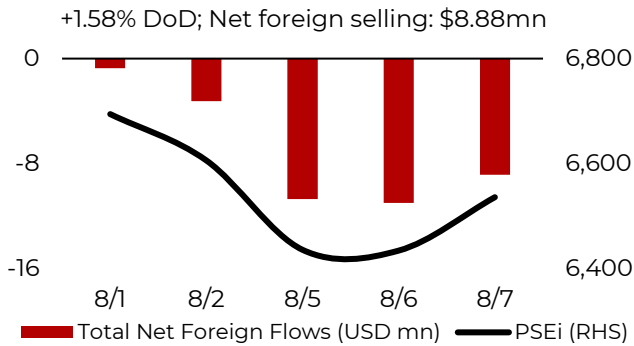


# The Morning View

August 8, 2024

## Philippine Stock Exchange Index



	Level	DoD
PSEi	6,535.17	+1.58%
3-mo bond yield	5.82%	+0.44 bps
2-yr bond yield	6.00%	+0.87 bps
10-yr bond yield	6.16%	+1.16 bps
USDPHP	57.52	-0.51%
Oil (Brent, \$ / barrel)	78.33	+2.42%

**The Philippine Statistics Authority (PSA) reported that unemployment rate declined to its lowest level in two decades of 3.1% in June (May: 4.1%).** This represented 1.62 million unemployed Filipinos in June, down from 2.11 million in May. The decline is attributed to a surge in hiring in the construction sector.

**Nickel Asia Corp. (PSEi Ticker: NIKL) expects its 3 new mines to boost its nickel production.** NIKL President and CEO Zamora added that the volumes will help supply the growing demand from both the stainless steel and the electric vehicles market.

**Local equities** snapped its three-day losing streak amid bargain hunting. Investors also cheered Wall Street's rebound overnight and the strengthening of the Philippine peso against the US dollar. The PSEi closed at 6,535.17 (+1.58% DoD).

**Local fixed income yields** rose as investors weighed the drop of the local unemployment rate in June, which could spur faster inflation. On average, yields rose by 0.85 bps, with the 2Y closing at 6.00% (+0.87 bps) and the 10Y closing at 6.16% (+1.16 bps).

The **Philippine peso** strengthened as traders digested the lower unemployment data and Finance Chief Recto's remarks that rate cuts could depend on inflation expectations and what the US Fed does. The USD/PHP pair closed at 57.52 (-0.51% DoD).

**US 30-year mortgage rate dropped by 27 basis points to 6.55% for the week ending August 2, according to the Mortgage Bankers Association.** This decline is attributed to increased expectations of deeper Federal Reserve rate cuts following weaker-than-expected jobs data in the US.

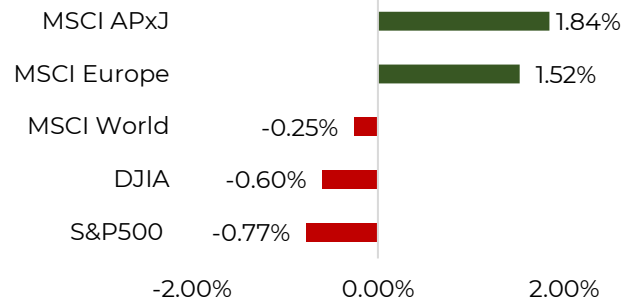
**China's imports grew faster-than-anticipated in July, while exports slowed to its weakest pace in three months.** Import growth rebounded to 7.2% YoY in July (June: -2.3%; consensus: 3.2%) amid a jump in US imports (+24% YoY). Meanwhile, July export growth slowed to 7.0% YoY (June: 8.6%, consensus: 9.5%).

**US equities** fell as chip stocks plummeted after Super Micro Computer's second quarter earnings missed estimates. The S&P 500 closed at 5,199.50 (-0.77% DoD) and the DJIA closed at 38,763.45 (-0.60% DoD).

**US Treasury yields** were mixed but rose on average amid weak demand from the \$42-billion 10-year note auction. On average, yields rose by 2.46 bps, with the 2Y closing at 3.96% (-1.50 bps) and the 10Y closing at 3.95% (+5.10 bps).

The **US dollar** strengthened as traders weighed cautious remarks from Bank of Japan Deputy Governor Uchida which significantly weakened the yen. The DXY closed at 103.20 (+0.22% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,199.50	-0.77%
DJIA	38,763.45	-0.60%
3-mo US Treasury yield	5.23%	+1.70 bps
2-yr US Treasury yield	3.96%	-1.50 bps
10-yr US Treasury yield	3.95%	+5.10 bps
DXY	103.20	+0.22%

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