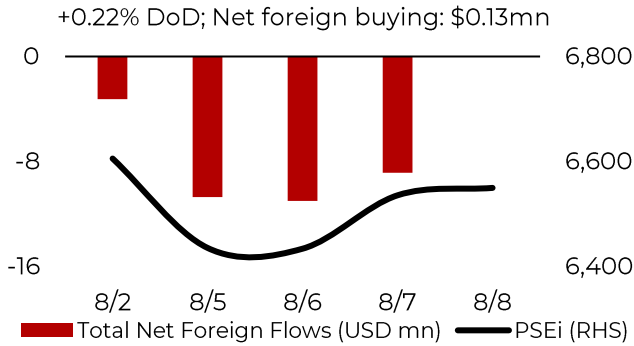


# The Morning View

August 9, 2024

## Philippine Stock Exchange Index



	Level	DoD
PSEi	6,549.27	+0.22%
3-mo bond yield	5.83%	+1.35 bps
2-yr bond yield	6.01%	+0.59 bps
10-yr bond yield	6.15%	-0.81 bps
USDPHP	57.32	-0.35%
Oil (Brent, \$ / barrel)	79.16	+1.06%

**The Philippine's gross domestic product (GDP) expanded by 6.3% YoY in 2Q24 (1Q24: revised 5.8%, 4Q23: 4.3%), in line with market expectations.** The Philippine Statistics Authority (PSA) attributed the increase to a rebound in government spending and an increase in capital formation, particularly construction.

**Ex-BSP Governor Medalla is appointed as an independent director for San Miguel Corp.'s (PSEi Ticker: SMC) board of directors.** He will assume Ramon Villavicencio's seat, who resigned last July 31. Mr. Medalla served as the governor and chairman of the Monetary Board of the Bangko Sentral ng Pilipinas from July 2022 to July 2023.

**Local equities** rose as investors cheered the strong second quarter Philippine GDP growth of 6.3%, faster than the 5.8% growth last quarter. The PSEi closed at 6,549.27 (+0.22% DoD).

**Local fixed income yields** closed mixed but rose on average as investors digested stronger GDP growth of 6.3% in 2Q24. On average, yields rose by 0.24 bps, with the 2Y closing at 6.01% (+0.59 bps) and the 10Y closing at 6.15% (-0.81 bps).

The **Philippine peso** strengthened as investors assessed the PSA's GDP report which showed that the PH economy grew at a faster pace in 2Q24. The USD/PHP pair closed at 57.32 (-0.35% DoD).

**Richmond Federal Reserve Bank President Thomas Barkin** said that the Fed has time to assess whether the US economy is normalizing or would require officials to act more forcefully. He also mentioned that the key thing to watch moving forward will be employment data.

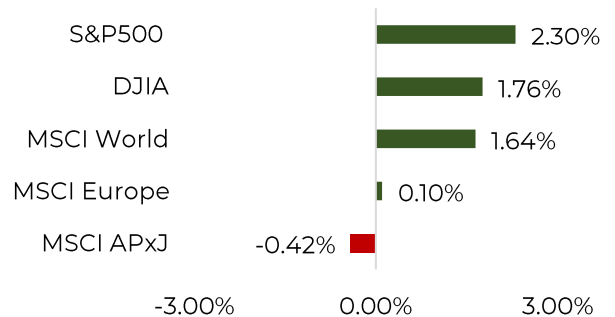
**US initial jobless claims dropped by 17,000 to 233,000 for the week ended August 3, down from a revised 250,000 the previous week.** This decline exceeded markets' expectation of 240,000 and signals fewer Americans seeking unemployment benefits, which underscores resilience of the labor market.

**US equities** rebounded as the concerns surrounding the labor market were calmed by the lower-than-expected weekly initial jobless claims report this week. The S&P 500 closed at 5,319.31 (+2.30% DoD) and the DJIA closed at 39,446.49 (+1.76% DoD).

**US Treasury yields** rose as investors digested the larger-than-expected drop in weekly initial jobless claims data. On average, yields rose by 4.15 bps, with the 2Y closing at 4.04% (+7.60 bps) and the 10Y closing at 3.99% (+4.70 bps).

The **US dollar** closed flat as traders digested the lower-than-expected initial jobless claims data release which pointed to a resilient US labor market. The DXY closed at 103.21 (+0.01% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,319.31	+2.30%
DJIA	39,446.49	+1.76%
3-mo US Treasury yield	5.23%	+0.50 bps
2-yr US Treasury yield	4.04%	+7.60 bps
10-yr US Treasury yield	3.99%	+4.70 bps
DXY	103.21	+0.01%