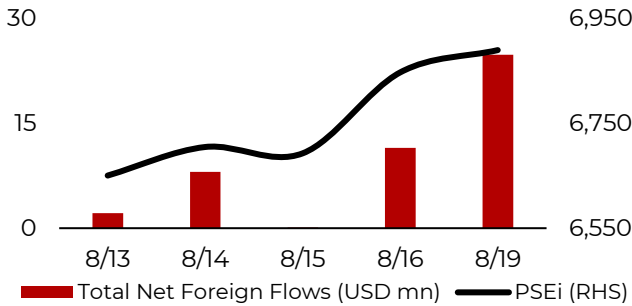


The Morning View

August 20, 2024

Philippine Stock Exchange Index

+0.62% DoD; Net foreign buying: \$24.79mn



	Level	DoD
PSEi	6,889.87	+0.62%
3-mo bond yield	5.95%	+0.36 bps
2-yr bond yield	6.00%	-0.13 bps
10-yr bond yield	6.05%	-0.45 bps
USDPHP	56.64	-1.06%
Oil (Brent, \$ / barrel)	77.66	-2.54%

According to the **Bangko Sentral ng Pilipinas (BSP)**, the **Philippines posted a \$62-million balance of payments surplus in July, reversing from a deficit in the previous month and a year ago.** This brought the first seven months surplus to \$1.50 billion, lower than last year's \$2.21 billion amid reduced proceeds from global bond sales.

San Miguel Corp. (PSEi Ticker: SMC) led consortium plans to spend **Php3-5 billion on the construction of a new off-ramp in Ninoy Aquino International Airport (NAIA).** SMC President and Chief Executive Officer Ramon Ang added that he is considering curb pricing at NAIA to manage traffic congestion.

Local equities rose as traders continued to be optimistic after the BSP cut its policy rates and signaled for further monetary policy easing thereafter. The PSEi closed at 6,889.87 (+0.62% DoD).

Local fixed income yields further fell after San Francisco Fed President Daly remarked that it is time to consider policy easing in the US. On average, yields fell by 0.43 bps, with the 2Y closing at 6.00% (-0.13 bps) and the 10Y closing at 6.05% (-0.45 bps).

The **Philippine peso** strengthened amid the broad weakening of the US dollar ahead of the Fed's July meeting minutes release and Fed Chair Powell's speech later this week. The USD/PHP pair closed at 56.64 (-1.06% DoD).

According to a Reuters survey, **55 out of 101 economists anticipate that the US Federal Reserve will gradually reduce its key policy rate by 25 basis points over the three remaining meetings this year.** The expected rate cuts are based on slowing inflation and a labor market that, while cooling, remains resilient.

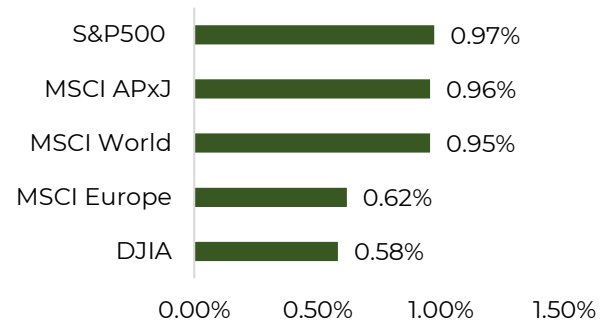
European Central Bank (ECB) policymaker Olli Rehn said that the ECB may have to cut rates again in September. He said that the increasing risks over the Eurozone's economic growth outlook have bolstered the case of a rate cut, citing that there are no clear signs of recovery in the manufacturing sector.

US equities rose as technology and consumer discretionary stocks led gains. The market turned their attention to Fed Chair Powell's speech at the Jackson Hole symposium this week. The S&P 500 closed at 5,608.25 (+0.97% DoD) and the DJIA closed at 40,896.53 (+0.58% DoD).

US Treasury yields were mixed as investors looked to get more cues from the US Fed's meeting minutes and Fed Chair Powell's speech this week. On average, yields fell by 0.38 bps, with the 2Y closing at 4.07% (+1.60 bps) and the 10Y closing at 3.87% (-1.10 bps).

The **US dollar** weakened as traders positioned ahead of the Jackson Hole symposium later this Friday. The DXY closed at 101.89 (-0.56% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,608.25	+0.97%
DJIA	40,896.53	+0.58%
3-mo US Treasury yield	5.20%	-1.60 bps
2-yr US Treasury yield	4.07%	+1.60 bps
10-yr US Treasury yield	3.87%	-1.10 bps
DXY	101.89	-0.56%

This material, which is strictly for information purposes only, is for your sole use, does not constitute a recommendation or an offer to sell or a solicitation to buy any financial product. Any information is subject to change without notice and BPI Wealth is not under any obligation to update or keep current the information contained herein. You are advised to make your own independent judgment with respect to the matter contained in this document. No liability whatsoever is accepted for any loss that may arise (whether direct or consequential) from any use of the information contained herein.

All funds managed by BPI Wealth are Trust and/or Investment Management Funds, which do not carry any guarantee of income or principal, and are NOT covered by the Philippine Deposit Insurance Corporation. Past performance is not a guarantee of future results. BPI Wealth Investment Funds are valued daily using the marked-to-market method.