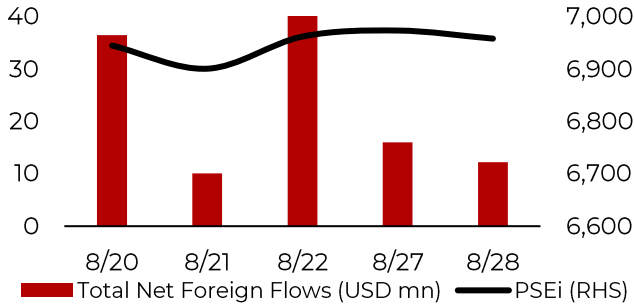


# The Morning View

August 29, 2024

## Philippine Stock Exchange Index

+0.16% DoD; Net foreign buying: \$12.22mn



	Level	DoD
PSEi	6,958.01	-0.22%
3-mo bond yield	5.91%	-1.92 bps
2-yr bond yield	6.00%	-0.56 bps
10-yr bond yield	6.08%	+0.24 bps
USDPHP	56.28	0.00%
Oil (Brent, \$ / barrel)	78.46	-1.37%

**Department of Finance Secretary Recto said that the government plans to raise \$2 to \$2.5 billion by issuing US dollar-denominated global bonds.** The Bureau of the Treasury said it started offering the triple tranche 5.5 year, 10.5-year, and 25-year sustainable US dollar global bonds.

**Manila Electric Co.'s (PSEi Ticker: MER) S&P Global credit rating was upgraded to 'BBB' from 'BBB-'. The 'BBB' rating indicates that MER has adequate capacity to meet its financial obligations but remains vulnerable to adverse economic conditions. S&P Global also affirmed a stable outlook for MER's credit rating.**

**Local equities** fell as investors took profits following a two-day rally. The market is also watching out for more economic data that may reinforce bets that the US Federal Reserve will cut rates in September. The PSEi closed at 6,958.01 (-0.22% DoD).

**Local fixed income yields** were mixed but fell on average ahead of core PCE inflation data in the US. On average, yields fell by 1.07 bps, with the 2Y closing at 6.00% (-0.56 bps) and the 10Y closing at 6.08% (+0.24 bps).

The **Philippine peso** was unchanged as trading was suspended amid inclement weather. The USD/PHP pair closed at 56.28 (0.00% DoD).

**Federal Reserve Bank of Atlanta President Bostic said it may be time to cut interest rates in September.** He noted that the unexpected increase in unemployment and decelerating inflation figures may allow the Fed to cut earlier. However, he wants to make sure by waiting for upcoming data.

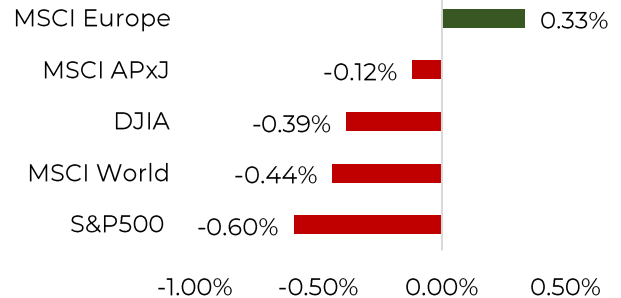
**Bank of Japan (BOJ) Deputy Governor Ryozi Himino emphasized that the BOJ is prepared to raise interest rates if inflation remains on track to hit its 2% target.** His remarks align with BOJ Governor Ueda's recent statement that market volatility would not affect the central bank's long-term plans for rate hikes.

**US equities** fell as Nvidia stocks declined ahead of its quarterly earnings report. Other technology stocks were also lower, including Amazon, Alphabet, and Microsoft. The S&P 500 closed at 5,592.18 (-0.60% DoD) and the DJIA closed at 41,091.42 (-0.39% DoD).

**US Treasury yields** were mixed as investors turned cautious ahead of the Personal Consumption Expenditures (PCE) inflation report release this Friday. On average, yields rose by 0.48 bps, with the 2Y closing at 3.87% (-3.40 bps) and the 10Y closing at 3.84% (+1.30 bps).

The **US dollar** strengthened as traders positioned ahead of the preliminary 2Q24 GDP print and the core PCE inflation data release. The DXY closed at 101.05 (+0.50% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,592.18	-0.60%
DJIA	41,091.42	-0.39%
3-mo US Treasury yield	5.12%	-0.10 bps
2-yr US Treasury yield	3.87%	-3.40 bps
10-yr US Treasury yield	3.84%	+1.30 bps
DXY	101.05	+0.50%

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