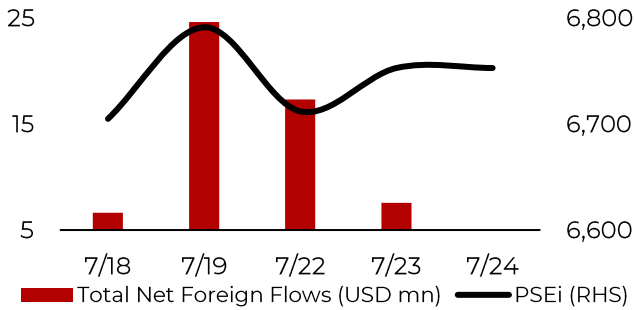


The Morning View

July 25, 2024

Philippine Stock Exchange Index

+0.00% DoD; Net foreign buying: \$0.00 mn



The Bureau of the Treasury (BTr) reported that the National Government's budget deficit narrowed by 7.24% YoY to Php209.08 billion in June. This was largely driven by the 10.93% YoY jump in revenue collection for June. As of 6M24, the budget gap widened by 11.27% YoY to Php613.91 billion.

SM Prime Holdings, Inc's (PSEi Ticker: SMPH) unit, SM Supermalls, reported a 21% surge in 1Q24 foot traffic. Management attributed the increase to higher spending on leisure and dining. It also added that food tenants now comprise 30% of mall spaces leased, while 50% are occupied by non-food tenants.

Local equities were unchanged as the Philippine Stock Exchange (PSE) suspended trading due to Typhoon Carina. The PSEi stood at 6,753.12 (0.00% DoD).

Local fixed income yields were flat amid limited trading volume due to Typhoon Carina. On average, yields rose by 0.01 bps, with the 2Y closing at 6.07% (+0.13 bps) and the 10Y closing at 6.28% (+0.42 bps).

The **Philippine peso** was flat as trading was suspended amid Typhoon Carina. The USD/PHP pair closed at 58.44 (0.00% DoD).

	Level	DoD
PSEi	6,753.12	0.00%
3-mo bond yield	5.75%	+0.49 bps
2-yr bond yield	6.07%	+0.13 bps
10-yr bond yield	6.28%	+0.42 bps
USDPHP	58.44	0.00%
Oil (Brent, \$ / barrel)	81.71	+0.86%

HCOB's preliminary composite Purchasing Managers' Index (PMI) declined to 50.1 in July, from the 50.9 mark in June.

Services PMI declined to 51.9 from 52.8, while manufacturing PMI fell to a seven-month low of 45.6 from 45.8.

US S&P Global flash composite Purchasing Managers' Index (PMI) climbed to 55.0 in July (June: 54.8).

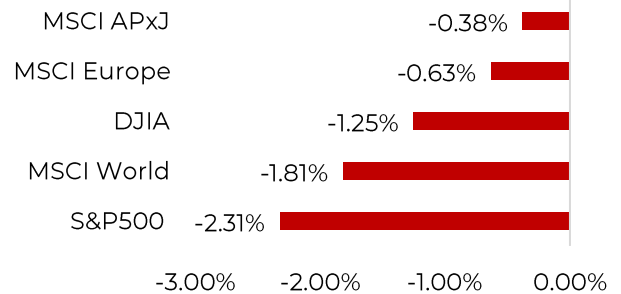
The expansion was driven by the growth in the services sector, which had offset the slowdown in manufacturing.

US equities tumbled as the lackluster 2Q24 results of Tesla and Alphabet weighed down on market sentiment. Investors also digested dovish comments from Former New York Fed President William Dudley, which raised concerns over a weakening economy. The S&P 500 closed at 5,427.13 (-2.31% DoD) and the DJIA closed at 39,853.87 (-1.25% DoD).

US Treasury yields were mixed as investors weighed the unexpected decline in new home sales and the mixed PMI data in the US. On average, yields rose by 1.47 bps, with the 2Y closing at 4.44% (-5.80 bps) and the 10Y closing at 4.29% (+3.30 bps).

The **US dollar** slightly weakened as traders parsed through the mixed July PMI data release which showed an expansion in services, but a contraction in manufacturing. The DXY closed at 104.39 (-0.06% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,427.13	-2.31%
DJIA	39,853.87	-1.25%
3-mo US Treasury yield	5.32%	+0.90 bps
2-yr US Treasury yield	4.44%	-5.80 bps
10-yr US Treasury yield	4.29%	+3.30 bps
DXY	104.39	-0.06%

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