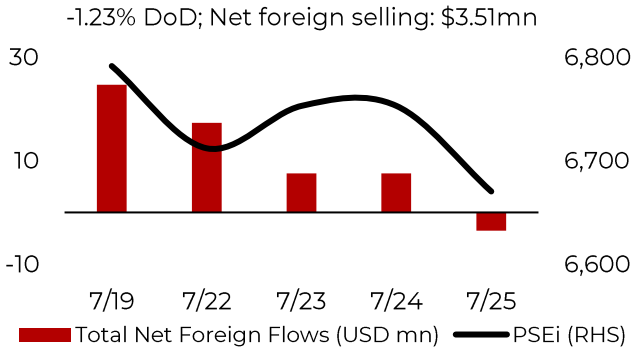


The Morning View

July 26, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,670.27	-1.23%
3-mo bond yield	5.75%	0.00 bps
2-yr bond yield	6.07%	0.00 bps
10-yr bond yield	6.28%	0.00 bps
USDPHP	58.44	0.00%
Oil (Brent, \$ / barrel)	82.37	+0.81%

The Department of Agriculture (DA) initially estimated that Typhoon Carina caused approximately Php203.38 million in agricultural damage. The typhoon affected 2,574 metric tons of crops across 10,688 hectares of farmland. The DA assessed that about 38.6% of this damage is considered irrecoverable.

Jollibee Food Corporation (PSEi Ticker: JFC) expects to recoup Compose Coffee acquisition in 5 to 6 years. According to JFC Chief Financial Officer Shin, there are currently no plans on expanding outside of South Korea. As of June, Compose Coffee had 2,612 stores and is ranked 2nd in the value coffee segment.

Local equities dropped due to weak market sentiment amid the aftermath of Typhoon Carina as well as the dismal performance of Wall Street overnight. The PSEi closed at 6,670.27 (-1.23% DoD).

Local fixed income yields were left unchanged as the bond market was closed for the day. Yields were unchanged with the 2Y closing at 6.07% (0.00 bp) and the 10Y closing at 6.28% (0.00 bp).

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

US Gross Domestic Product (GDP) grew by an annualized 2.8% in 2Q24 (1Q24: 1.4%; consensus: 1.9%). The growth was driven by robust consumer spending and business investment. Notably, consumer spending rose by 2.3% in 2Q24, partly supported by wage gains.

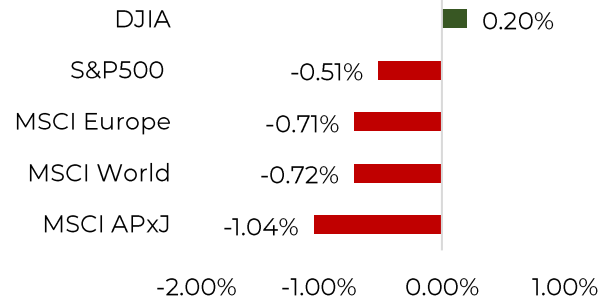
US core personal consumption expenditure inflation, the Fed's preferred gauge which exclude volatile food and energy items, slowed down to 2.9% in 2Q24 from 3.7% in 1Q24. The print was slightly higher than the 2.7% market expectation. Nonetheless, the deceleration supports expectations of a Fed rate cut this year.

US equities closed mixed as tech stocks slumped after disappointing tech earnings results, spurring investors to rotate into smaller cap stocks. Investors also digested the better-than-expected 2Q24 GDP print. The S&P 500 closed at 5,399.22 (-0.51% DoD) and the DJIA closed at 39,935.07 (+0.20% DoD).

US Treasury yields ended lower as investors digested the slower US core PCE inflation print for 2Q24. On average, yields fell by 2.74 bps, with the 2Y closing at 4.44% (0.00 bps) and the 10Y closing at 4.24% (-4.30 bps).

The **US dollar** slightly weakened as traders weighed the slower 2Q24 US PCE which reinforced market's expectations of a rate cut in September. The DXY closed at 104.36 (-0.03% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,399.22	-0.51%
DJIA	39,935.07	+0.20%
3-mo US Treasury yield	5.31%	-0.30 bps
2-yr US Treasury yield	4.44%	0.00 bps
10-yr US Treasury yield	4.24%	-4.30 bps
DXY	104.36	-0.03%

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.