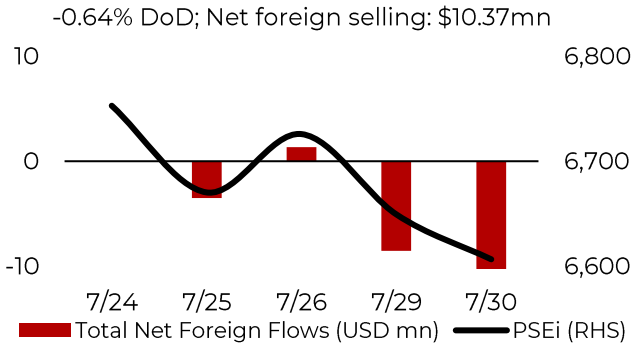


The Morning View

July 31, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,606.36	-0.64%
3-mo bond yield	5.77%	+2.91 bps
2-yr bond yield	6.02%	-0.69 bps
10-yr bond yield	6.19%	-2.89 bps
USDPHP	58.65	+0.23%
Oil (Brent, \$ / barrel)	78.63	-1.44%

The Bureau of the Treasury (BTr) reported that the national government's outstanding debt reached a record high of Php15.48 trillion as of end-June. The Treasury Department noted that this reflected the impact of peso depreciation against the US dollar, partially offset by the impact of third-currency adjustments.

Globe Telecom, Inc. (PSEi Ticker: GLO) said cybersecurity and AI integration will lead operational advances. The head of Globe Business, KD Dizon, stated that cybersecurity will remain the primary focus for the company's operations.

Local equities fell as market sentiment was dampened by worries over the Philippine peso weakening and the expectations that the government debt may continue to rise. Investors were also cautious ahead of the policy decisions of the US Federal Reserve and the Bank of Japan. The PSEi closed at 6,606.36 (-0.64% DoD).

Local fixed income yields continued to fall ahead of the policy decision of the Federal Reserve. On average, yields fell by 0.91 bps, with the 2Y closing at 6.02% (-0.69 bps) and the 10Y closing at 6.19% (-2.89 bps).

The **Philippine peso** weakened as investors awaited the US Fed's policy announcement. The USD/PHP pair closed at 58.65 (+0.23% DoD).

US job openings fell by 46,000 to 8.18 million in June from the revised 8.23 million in May. Total job openings per unemployed person fell to 1.20 from 1.24 as well, signaling a gradual softening in the labor market.

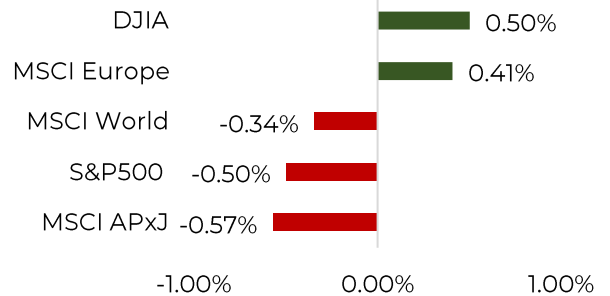
Eurozone gross domestic product (GDP) rose by 0.70% YoY in 2Q24 (1Q24: 0.60%), surpassing markets' expectation of 0.50%. This annual growth is the strongest pace since the first quarter of 2023. The YoY growth rates were positive for eight countries and negative for three (Germany, Latvia, and Ireland).

US equities closed mixed amid the decline in mega-cap stocks as investors were cautious of big tech earnings reports this week. This was also ahead of the US Fed's policy decision. The S&P 500 closed at 5,436.44 (-0.05% DoD) and the DJIA closed at 40,743.33 (+0.50% DoD).

US Treasury yields ended lower amid cautious sentiment ahead of the Fed's policy rate decision. Investors also weighed the US job openings data which slightly fell in June. On average, yields fell by 2.80 bps, with the 2Y closing at 4.36% (-4.10 bps) and the 10Y closing at 4.14% (-3.50 bps).

The **US dollar** closed flat as traders remained cautious ahead of the US Fed's policy meeting. The DXY closed at 104.55 (-0.01% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,436.44	-0.50%
DJIA	40,743.33	+0.50%
3-mo US Treasury yield	5.30%	+0.60 bps
2-yr US Treasury yield	4.36%	-4.10 bps
10-yr US Treasury yield	4.14%	-3.50 bps
DXY	104.55	-0.01%

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