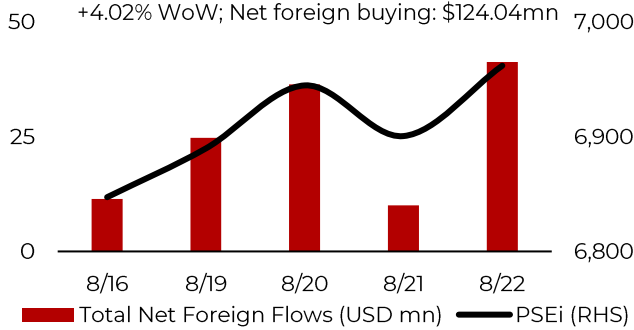


The Weekly Review

August 27, 2024

Philippine Stock Exchange Index



	Level	WoW
PSEi	6,961.96	+4.02%
3-mo bond yield	5.92%	-1.63 bps
2-yr bond yield	6.02%	-0.64 bps
10-yr bond yield	6.07%	-3.69 bps
USDPHP	56.333	-1.00%
Oil (Brent, \$ / barrel)	77.22	-4.71%

*As of August 22, 2024

US equities rallied on increased bets of a September rate cut by the US Federal Reserve. This was following the Fed's dovish July meeting minutes, the downward revision to the US nonfarm payroll data, and Fed Chair Powell's speech at the Jackson Hole Symposium which signaled that the time has come to cut rates.

- ▲ S&P 500 closed at 5,634.61 (+1.45% WoW).
- ▲ DJIA closed at 41,175.08 (+1.27% WoW).

US Treasury yields ended lower as investors parsed through the US Federal Reserve's July minutes of the meeting which showed that the Fed is moving closer to a rate cut in September. This was also after US Fed Chairman Powell signaled that the time has come to cut rates, further boosting policy easing bets.

- ▼ On average, yields fell by 8 bps, with the 2Y closing at 3.92% (-14 bps) and the 10Y closing at 3.80% (-8 bps).

The **US dollar weakened** following the speech of US Fed Chair Powell who highlighted that "the time has come for policy to adjust". Additionally, dovish sentiment from several Fed officials including Chicago Fed President Goolsbee and San Francisco Fed President Daly further weighed on the strength of the dollar.

- ▼ The DXY closed at 100.72 (-1.70% WoW).

Local equities soared as market sentiment was bolstered by hopes of further monetary policy easing by the Bangko Sentral ng Pilipinas (BSP) and expectation that the US Fed will begin reducing the policy rate by September.

Top performers were BDO Unibank, Inc. (PSE Ticker: BDO; +8.68%), Metropolitan Bank & Trust Company (MBT; +6.86%), and International Container Terminal Services, Inc. (ICT; +5.62%). Meanwhile, SM Prime Holdings, Inc. (PSE Ticker: SMPH; -2.62%), Monde Nissin Corporation (MONDE; -4.06%), and ACEN Corporation (ACEN; -10.50%) were the laggards of the week.

- ▲ The PSEi closed at 6,961.96 (+4.02% WoW).

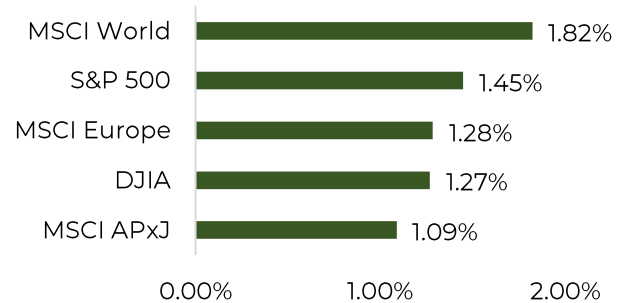
Local fixed income yields declined as traders weighed the BSP's decision to cut its policy rate by 25 bps to 6.25%.

- ▼ On average, yields fell by 3 bps, with the 2Y closing at 6.02% (-1 bp) and the 10Y closing at 6.07% (-4 bps).

The **Philippine peso strengthened** amid the broad weakening of the US dollar after the dovish July Fed meeting minutes and downward revisions to US jobs data supported the possibility of a September Fed rate cut.

- ▼ The USD/PHP pair closed at 56.33 (-1.00% WoW).

Global Stock Indices



	Level	WoW
S&P 500	5,634.61	+1.45%
DJIA	41,175.08	+1.27%
3-mo US Treasury yield	5.14%	-7.80 bps
2-yr US Treasury yield	3.92%	-13.70 bps
10-yr US Treasury yield	3.80%	-8.30 bps
DXY	100.72	-1.70%

*as of August 23, 2024

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