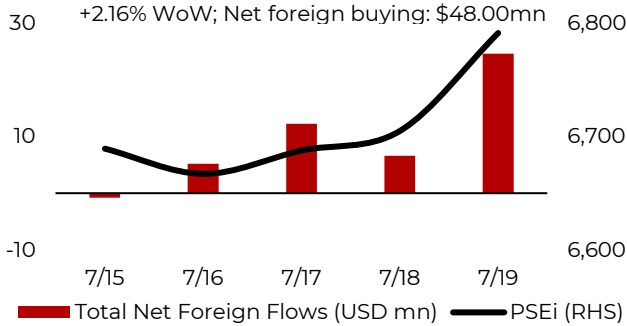


# The Weekly Review

July 22, 2024

## Philippine Stock Exchange Index



	Level	WoW
PSEi	6,791.69	+2.16%
3-mo bond yield	5.74%	+5.10 bps
2-yr bond yield	6.07%	-0.55 bps
10-yr bond yield	6.25%	0.00 bps
USDPHP	58.34	-0.08%
Oil (Brent, \$ / barrel)	82.63	-2.82%

**Local equities jumped** as investors digested the steady Philippine economic growth forecasts of the Asian Development Bank and International Monetary Fund of 6.0% YoY for 2024. Moreover, the growing prospects of policy rate cuts lifted market sentiment.

Top performers were Ayala Land, Inc. (PSE Ticker: ALI; +7.09%), ACEN Corporation (ACEN; +6.49%), and Bank of the Philippine Islands (BPI; +4.16%). Meanwhile, Century Pacific Food, Inc. (CNPF; -3.16%), PLDT Inc. (TEL; -4.86%), and Bloomberry Resorts Corporation (BLOOM; -5.81%) were the laggards of the week.

▲ The PSEi closed at 6,791.69 (+2.16% WoW).

**Local fixed income yields were mixed but rose on average** as investors weighed the upward revision in May US retail sales and cautious remarks from Fed officials Williams and Daly.

▲ On average, yields rose by 3 bps, with the 2Y closing at 6.07% (-1 bp) and the 10Y closing at 6.25% (0 bps).

The **Philippine peso slightly strengthened** on increased bets of a Fed rate cut as early as September following the dovish remarks from US Fed Chair Powell that the Fed will not wait for inflation to reach the 2% target before cutting rates.

▼ The USD/PHP pair closed at 58.34 (-0.08% WoW).

**US equities closed mixed** as investors sold off mega-cap technology stocks due to concerns over a potential escalation of the US-China trade tensions. Investors also rotated into small-cap<sup>1</sup> stocks in anticipation of potential policy rate cuts from the US Federal Reserve this year.

▼ S&P 500 closed at 5,505.00 (-1.97% WoW).

▲ DJIA closed at 40,287.53 (+0.72% WoW).

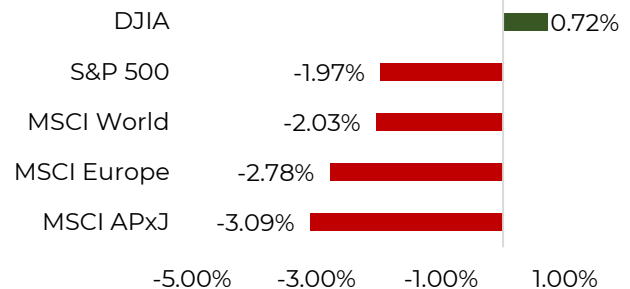
**US Treasury yields rose** following comments from Fed officials Williams and Daly that they will wait for more good data before calling for a rate cut. Investors also assessed the implications of the assassination attempt on Donald Trump.

▲ On average, yields rose by 4 bps, with the 2Y closing at 4.52% (+6 bps) and the 10Y closing at 4.24% (+6 bps).

The **US dollar strengthened** as the Euro weakened following the European Central Bank's decision to keep rates steady, with hints of a potential September cut. Investors also weighed the resilient US June retail sales data.

▲ The DXY closed at 104.40 (+0.29% WoW).

## Global Stock Indices



	Level	WoW
S&P 500	5,505.00	-1.97%
DJIA	40,287.53	+0.72%
3-mo US Treasury yield	5.34%	-0.60 bps
2-yr US Treasury yield	4.52%	+6.10 bps
10-yr US Treasury yield	4.24%	+5.60 bps
DXY	104.40	+0.29%

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