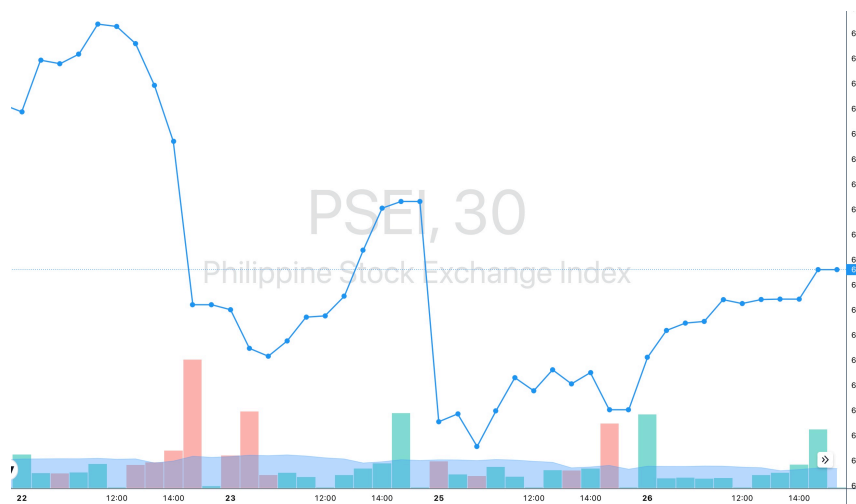




Market Commentary



➔ The PSEi fell by 65.68 points or 0.97% week-on-week and finished at 6,726.01. The benchmark index's 4-week streak was snapped as the market took a breather after touching the 6,800-level, allowing for some correction. Holding Firms (+0.19%) was the lone sector to go up. Mining&Oil (-3.97%) and Services (-2.07%) had the biggest contractions. In the PSEi, ACEN (+1.83%) and GLO (+1.63%) were the top performers, while NIKL (-6.63%) and ICT (-4.00%) had the worst week. Net foreign buying amounted to ₱1.33 billion. The Philippine Peso was almost flat at ₱58.35 against the US dollar. Meanwhile, some developments last week were:

- National Economic and Development Authority (NEDA) Secretary Arsenio Balisacan stated on Tuesday that the impact of the Philippine offshore gaming operators (POGOs) on the property industry is minimal. Despite POGOs being viewed as a significant contributor to the property market, Balisacan emphasized that their contribution to GDP, including rental revenues, is only about 0.5%. He highlighted that the social and reputational costs associated with hosting POGOs outweigh the economic benefits.
- The national government's budget deficit decreased to ₱209.1 billion in June, down from ₱225.4 billion a year ago, driven by faster revenue growth compared to government expenditures. According to the Bureau of the Treasury (BTr), June revenues amounted to ₱296.5 billion, a 10.93% increase from last year's ₱267.3 billion. This growth was supported by the Bureau of Internal Revenue's collection of ₱172.5 billion, up 4.71% year-on-year, and the Bureau of Customs' collection of ₱74.6 billion, a slight increase of 0.67%. Collections from other offices, including non-tax revenues, surged to ₱39.8 billion, more than double the amount from the previous year. Government expenditures in June reached ₱505.6 billion, a 2.62% rise from last year's ₱492.7 billion.

INDICES

Index	Prev	Last	% Chg
PSEi	6,791.69	6,726.01	-0.97%
All Shares	3,627.83	3,630.10	0.06%
Financial	2,096.99	2,076.45	-0.98%
Industrial	9,239.08	9,159.60	-0.86%
Holding Firms	5,811.44	5,822.22	0.19%
Property	2,708.06	2,664.47	-1.61%
Services	2,049.62	2,007.18	-2.07%
Mining & Oil	8,697.25	8,351.84	-3.97%

PSEi

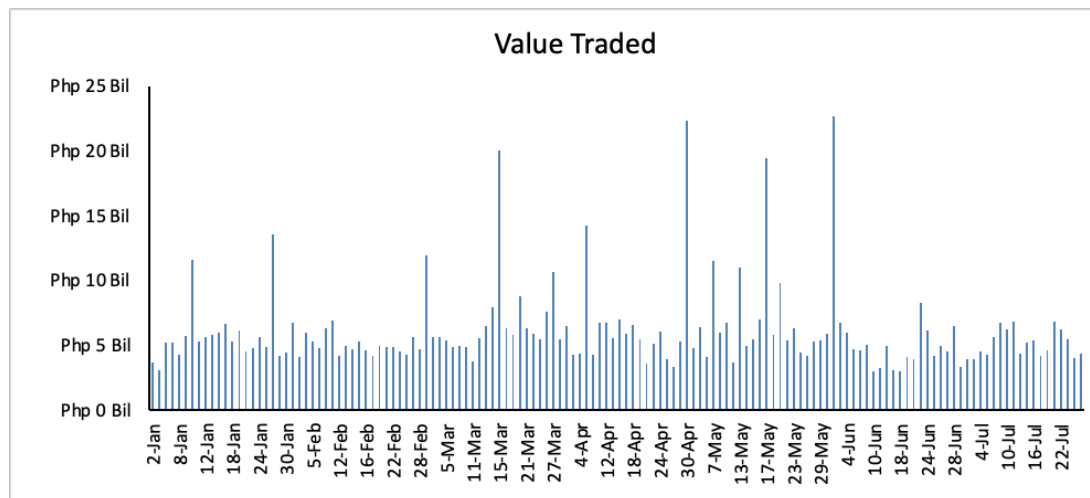
	TOP 10		BOTTOM 10
ACEN	1.83%	NIKL	-6.63%
GLO	1.63%	ICT	-4.00%
CNPF	1.19%	MONDE	-3.03%
DMC	1.09%	URC	-2.66%
SM	0.93%	AEV	-2.33%
GTCAP	0.67%	BDO	-1.88%
JGS	0.54%	SMPH	-1.65%
LTG	0.31%	SMC	-1.51%
BLOOM	0.23%	CNVRG	-1.43%
EMI	0.00%	WLCON	-1.34%

Disclaimer:

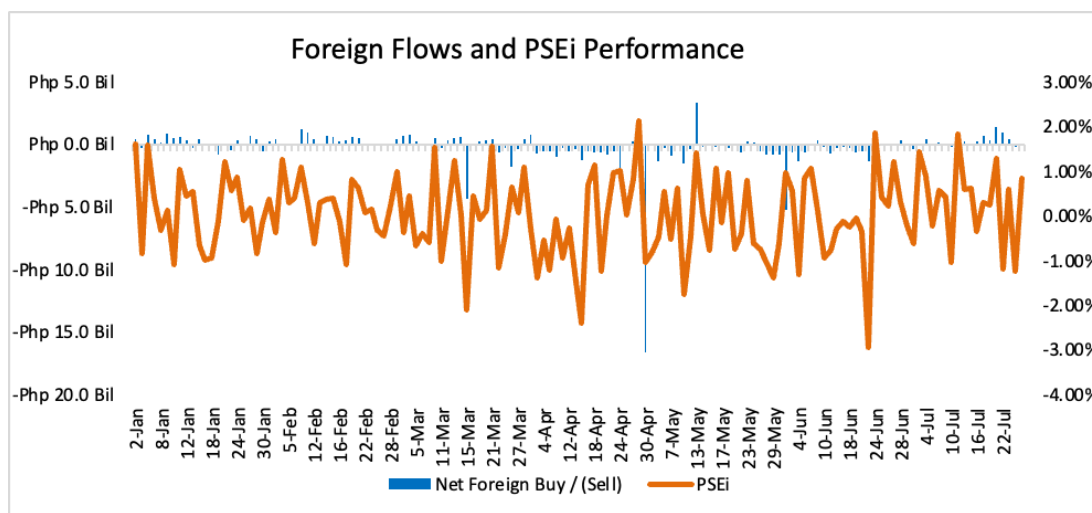
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➔ Market turnover averaged ₱5.03 billion last week, lower than the ₱5.25 billion recorded in the previous week.



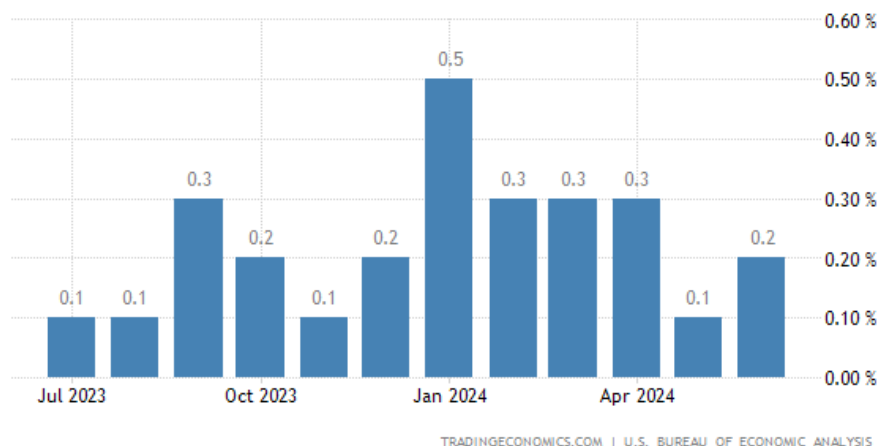
➔ A net foreign inflow of ₱1.33 billion was recorded last week, lower than the ₱2.80 billion in the week of July 15-19.



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Key Economic Figures



- ➔ **US core PCE.** In June 2024, the US core PCE price index, the Federal Reserve's preferred measure of underlying inflation, increased by 0.2% from the previous month, surpassing the expected 0.1% rise. This uptick marked a shift from the 0.1% rise recorded in May, which was the smallest increase since November 2023. Meanwhile, the headline PCE index rose by 0.1%, and annual core PCE inflation remained steady at 2.6%. (*US Bureau of Economic Analysis*)



- ➔ **US GDP growth.** The US economy grew at an annualized rate of 2.8% in Q2, up from 1.4% in Q1 and surpassing forecasts of 2%. Consumer spending accelerated to 2.3%, driven by increased purchases of goods such as motor vehicles and gasoline, although spending on services slowed. Private inventories contributed 0.82 percentage points to growth, reversing their previous drag, led by wholesale and retail trade. Nonresidential investment rose to 5.2%, with a notable increase in equipment investment, while investment in intellectual property eased and structures declined. Government spending increased by 3.1%, primarily due to defense. Conversely, residential investment fell by 1.4%, and net trade negatively impacted growth for the second consecutive quarter, as imports grew faster than exports. (*US Bureau of Economic Analysis*)

For the Week

TOP GAINERS		TOP LOSERS	
STR	4.62%	LPC	-26.47%
MAXS	3.96%	DD	-6.88%
PNB	3.83%	NIKL	-6.63%
ROCK	1.97%	HOME	-5.95%
ACEN	1.83%	EEI	-5.10%
DMW	1.79%	APX	-4.60%
GLO	1.63%	ICT	-4.00%
SLI	1.61%	SSP	-4.00%
MWC	1.54%	LPZ	-3.99%
CHP	1.43%	SHLPH	-3.81%
FNI	1.28%	MEG	-3.72%
CNPF	1.19%	PX	-3.60%
DMC	1.09%	SSI	-3.53%
COSCO	1.07%	AB	-3.23%
SM	0.93%	MONDE	-3.03%
SEVN	0.91%	PIZZA	-2.99%
GTCAP	0.67%	GSMI	-2.99%
TECH	0.63%	IMI	-2.69%
JGS	0.54%	URC	-2.66%
SHNG	0.53%	RLC	-2.61%

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Market Outlook

What You Need to Know

- ➔ In the US, Wall Street may continue to recover after the big drops in the previous week especially the S&P500 and the Nasdaq Composite which have been due to the downturn of big tech stocks. Market attention will be focused on the US Federal Reserve (Fed)'s monetary policy meeting on July 30-31 (US time), and the nonfarm payrolls report. Other key data releases include the JOLTS report, ISM Manufacturing PMI, factory orders, and pending home sales. It will be a busy earnings week in Wall Street with major tech companies like Microsoft, Meta, Apple, and Amazon reporting results. Globally, central banks in the UK, Japan, and Brazil will update their monetary policies. Inflation data will be released for several countries, including Spain, Germany, Australia, and the eurozone, while GDP growth figures will be announced for France, Spain, Germany, Italy, and eurozone as well. In China, both manufacturing and services PMIs will be monitored.
- ➔ This week, the PSEi is expected to move sideways after breaking a streak of four consecutive positive weeks. Investors will likely remain cautious as they await the US Federal Reserve (Fed)'s policy meeting, which could provide clues about future monetary easing in the world's largest economy. The Fed's review, scheduled for July 30-31, will be closely watched, with expectations that the central bank will maintain its current interest rate of 5.25%-5.5% for the eighth straight meeting. Any dovish signals from Fed Chairman Jerome Powell regarding future rate cuts could boost local market sentiment. Additionally, the release of the July S&P Global Philippines Manufacturing Purchasing Managers' Index on August 1 and strong first-semester earnings reports from companies like BDO, MER, and SCC could provide further support. The PSEi may attempt to test the 6,800-level if positive developments emerge.

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