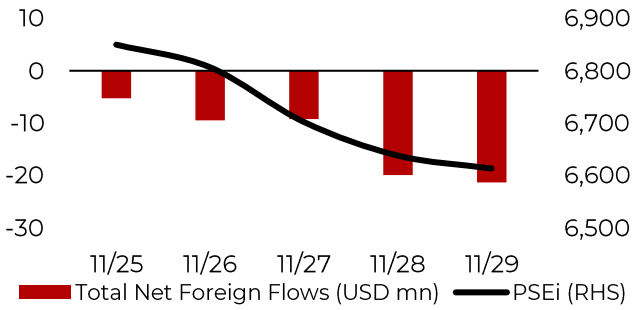


The Morning View

December 2, 2024

Philippine Stock Exchange Index

-0.37% DoD; Net foreign selling: \$21.29mn



	Level	DoD
PSEi	6,613.85	-0.37%
3-mo bond yield	5.64%	+2.41 bps
2-yr bond yield	5.93%	+1.64 bps
10-yr bond yield	6.00%	-4.10 bps
USDPHP	58.62	-0.09%
Oil (Brent, \$ / barrel)	72.94	-0.46%

The Bangko Sentral ng Pilipinas' (BSP) month-ahead forecast showed inflation likely settled within the 2.2-3.0% range in November. If realized, this will be faster than October's 2.3% but still within the BSP's 2-4% target band. Higher food and electricity prices as well as the weaker peso are seen as key drivers.

GT Capital Holdings, Inc. (PSE Ticker: GTCAP) said that establishing a real estate investment trust (REIT) unit is not a priority. Chief Financial Officer George S. Uy-Tioco, Jr. noted that the company is looking to focus on expanding its property portfolio before building a REIT unit.

Local equities fell amid cautious trading ahead of the release of the November local inflation print. The PSEi closed at 6,613.85 (-0.37% DoD).

Local fixed income yields closed mixed as investors awaited the release of the November local inflation report this week. On average, yields rose by 0.21 bps, with the 2Y closing at 5.93% (+1.64 bps) and the 10Y closing at 6.00% (-4.10 bps).

The **Philippine Peso** strengthened as trade war concerns eased after Trump's talks with Mexico's president Sheinbaum and Canada's prime minister Trudeau. The USD/PHP pair closed at 58.62 (-0.09% DoD).

China's manufacturing purchasing managers' index (PMI) rose to 50.3 in November (Oct: 50.1). The above-50 reading was higher than markets' expectations and indicates an expansion in factory activity. This was attributed to China's recent supportive fiscal and monetary policies.

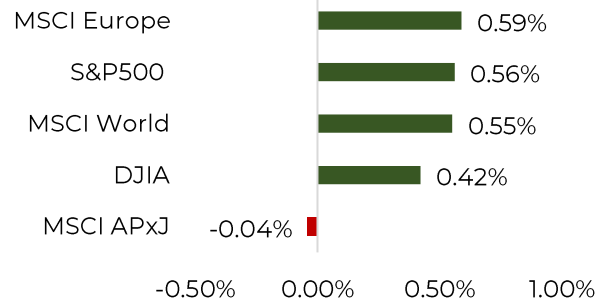
Euro zone consumer price index (CPI) inflation accelerated 2.3% YoY in November (October: 2.0%), above the European Central Bank's (ECB) 2% target but still in line with expectations. Core CPI, which excludes volatile energy, food, alcohol and tobacco prices, remained at 2.7% (October: 2.7%) due to sticky services inflation.

US equities rose to fresh record-highs in a shortened Black Friday session as investors positioned amid the holiday season. The S&P 500 closed at 6,032.38 (+0.56% DoD) and the DJIA closed at 44,910.65 (+0.42% DoD).

US Treasury yields declined as investors awaited the release of nonfarm payrolls data and Fed Chair Powell's speech this week to gauge the Fed's policy outlook moving forward. On average, yields fell by 6.16 bps, with the 2Y closing at 4.16% (-7.60 bps) and the 10Y closing at 4.17% (-9.30 bps).

The **US dollar** weakened as the market turned cautious ahead of the nonfarm payrolls data and the speech of Fed Chair Powell this week. The DXY closed at 105.74 (-0.29% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,032.38	+0.56%
DJIA	44,910.65	+0.42%
3-mo US Treasury yield	4.50%	-0.90 bps
2-yr US Treasury yield	4.16%	-7.60 bps
10-yr US Treasury yield	4.17%	-9.30 bps
DXY	105.74	-0.29%

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