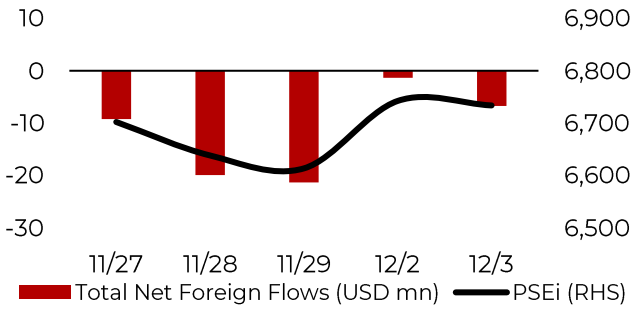


The Morning View

December 4, 2024

Philippine Stock Exchange Index

-0.13% DoD; Net foreign selling: \$6.67mn



	Level	DoD
PSEi	6,734.21	-0.13%
3-mo bond yield	5.67%	+0.85 bps
2-yr bond yield	5.94%	+1.07 bps
10-yr bond yield	5.98%	-1.17 bps
USDPHP	58.58	-0.13%
Oil (Brent, \$ / barrel)	73.69	+2.59%

The National Government's outstanding debt reached a fresh record high Php16.02 trillion as of end-October. According to the Bureau of Treasury (BTr), the increase was driven by the valuation impact of the peso's depreciation against the US dollar.

Consunji-led companies DMCI Holdings, Inc. (PSE Ticker: DMC), Semirara Mining and Power Corp. (PSE Ticker: SCC), and Dacon Corp. finalized the acquisition of Cemex Holdings Philippines, Inc. (PSE Ticker: CHP). DMCI will own a 51% effective stake, while Dacon Corp. and SCC will own 29% and 10%, respectively.

Local equities fell amid profit-taking and after the Development Budget Coordination Committee trimmed its 2024 Philippine economic growth forecast from 6.0-7.0% to 6.0-6.5%. The PSEi closed at 6,734.21 (-0.13% DoD).

Local fixed income yields closed mixed as investors took a cautious stance ahead of the latest Fedspeak. This was also ahead of the release of the local headline inflation print for November. On average, yields rose by 0.52 bps, with the 2Y closing at 5.94% (+1.07 bps) and the 10Y closing at 5.98% (-1.17 bps).

The **Philippine Peso** strengthened after dovish remarks from US Fed Governor Waller, which reinforced bets of a Fed rate cut in December. The USD/PHP pair closed at 58.58 (-0.13% DoD).

US Job Openings and Labor Turnover Survey (JOLTS) job openings rose by 372,000 to 7.744 million in October (Consensus: 7.519 million). The gains were led by the professional and business services sector. JOLTS disclosed that there were 1.11 job openings for every unemployed person in October (Sept: 1.08).

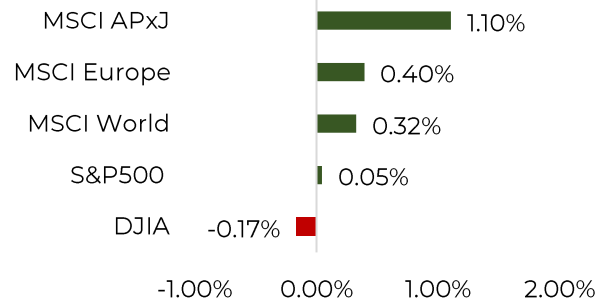
Fed policymakers indicated support for further rate cuts ahead but were wary of giving a December rate-cut guidance. Kugler expressed confidence that inflation is on track to reach the Fed's 2% target, while Daly mentioned that policymakers need to have an open mind on rate-cut timing.

US equities ended mixed as investors assessed remarks of several Fed policymakers suggesting inflation is on track to reach the 2% target. This was also ahead of the release of the November US nonfarm payrolls data. The S&P 500 closed at 6,049.88 (+0.05% DoD) and the DJIA closed at 44,705.53 (-0.17% DoD).

US Treasury yields rose on the back of the stronger-than-expected October JOLTS report. On average, yields rose by 1.15 bps, with the 2Y closing at 4.18% (-0.20 bps) and the 10Y closing at 4.23% (+3.20 bps).

The **US dollar** weakened following dovish remarks from several key Fed officials. Moreover, investors remained cautious ahead of the nonfarm payrolls data. The DXY closed at 106.35 (-0.09% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,049.88	+0.05%
DJIA	44,705.53	-0.17%
3-mo US Treasury yield	4.47%	-0.20 bps
2-yr US Treasury yield	4.18%	-0.20 bps
10-yr US Treasury yield	4.23%	+3.20 bps
DXY	106.35	-0.09%

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