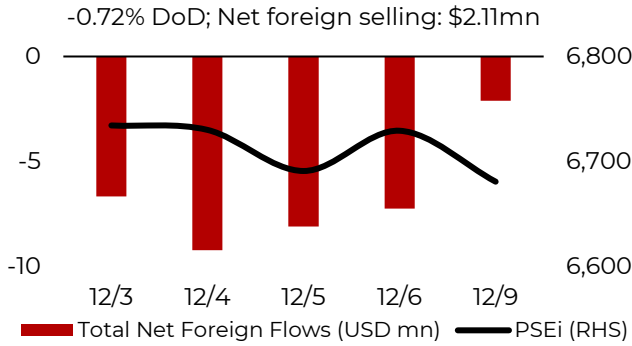


The Morning View

December 10, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,680.57	-0.72%
3-mo bond yield	5.75%	+5.21 bps
2-yr bond yield	5.92%	-0.31 bps
10-yr bond yield	5.94%	+6.02 bps
USDPHP	58.01	+0.48%
Oil (Brent, \$ / barrel)	72.14	+1.43%

The Export Development Council plans to downgrade the Philippines' 2025 export targets contained in the Philippine Export Development Plan (PEDP) as electronics demand may weigh on export performance. Meanwhile, 2024 exports are seen to fall short of the \$143.4 billion PEDP target but surpass the minimum \$107 billion Philippine Development Plan goal.

Manila Electric Co.'s (PSE Ticker: MER) power supply agreements (PSAs) were approved by the Energy Regulatory Commission (ERC). The ERC also granted provisional authority to MER to implement its PSA with ACEN Corp. (139 megawatts (MW)) and San Miguel Corp. (340 MW), through their subsidiaries.

Local equities slipped amid the market's cautious stance ahead of the release of November US consumer inflation data. The PSEi closed at 6,680.57 (-0.72% DoD).

Local fixed income yields ended mixed as investors assessed the impact of the stronger-than-expected November nonfarm payroll additions of 227,000 and higher US jobless rate of 4.2% to the Fed's policy rate path. On average, yields rose by 1.39 bps, with the 2Y closing at 5.92% (-0.31 bps) and the 10Y closing at 5.94% (+6.02 bps).

The **Philippine Peso** weakened following the robust US November jobs data and amid escalating geopolitical tensions in the Middle East. The USD/PHP pair closed at 58.01 (+0.48% DoD).

The New York Federal Reserve's consumer expectations survey revealed that US consumers anticipate higher inflation, with projected rates of 3.0%, 2.6%, and 2.9% for one, three, and five years ahead, respectively. The survey also highlighted increased optimism about the US economy after Trump's win.

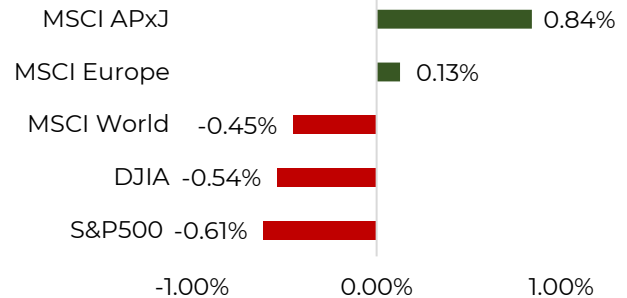
US wholesale inventories rose by 0.2% MoM in October (Sept.: +0.2%), in-line with market's expectations. The increase in inventories was attributed to the small rise in stocks of long-lasting manufactured goods.

US equities fell as the market turned cautious due to heightening geopolitical tensions in the Middle East and ahead of the release of the US November consumer price index (CPI) inflation this week. The S&P 500 closed at 6,052.85 (-0.61% DoD) and the DJIA closed at 44,401.93 (-0.54% DoD).

US Treasury yields rose as investors looked ahead to the US November CPI inflation print on Thursday. On average, yields rose by 3.05 bps, with the 2Y closing at 4.13% (+2.10 bps) and the 10Y closing at 4.20% (+4.80 bps).

The **US dollar** closed flat as investors remained cautious ahead of the release of November US CPI inflation report. The DXY closed at 106.15 (+0.08% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,052.85	-0.61%
DJIA	44,401.93	-0.54%
3-mo US Treasury yield	4.41%	-0.30 bps
2-yr US Treasury yield	4.13%	+2.10 bps
10-yr US Treasury yield	4.20%	+4.80 bps
DXY	106.15	+0.08%

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