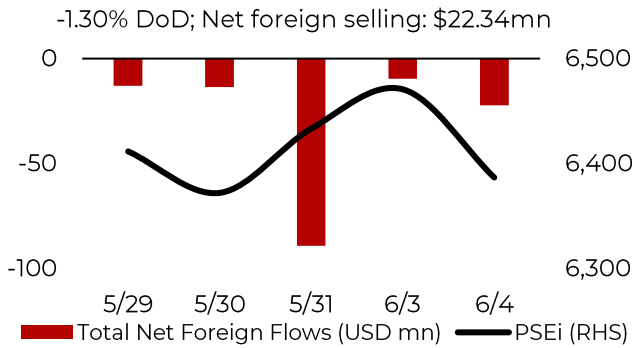


The Morning View

June 5, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,386.42	-1.30%
3-mo bond yield	5.73%	+1.04 bps
2-yr bond yield	6.30%	-0.61 bps
10-yr bond yield	6.74%	-1.15 bps
USDPHP	58.71	+0.05%
Oil (Brent, \$ / barrel)	77.52	-1.07%

The National Economic and Development Authority (NEDA) Board approved the new Comprehensive Tariff Program for 2024-2028 which includes the reduction of rice tariff from 35% to 15%. NEDA Secretary Balisacan stated that this aims to lower local rice prices and will be complemented by retained tariffs on certain agricultural products like sugar, vegetables, and complete feeds.

ACEN Corporation (PSEi Ticker: ACEN) plans to raise \$6 billion through equity capital to fund expansion. ACEN president Eric Francia stated that the company could start selling shares in the next 12 to 18 months.

Local equities fell after Bangko Sentral ng Pilipinas (BSP) Governor Eli Remolona hinted the possibility of cutting policy rates ahead of the US Federal Reserve, suggesting that the pressure against the local currency may continue. The PSEi closed at 6,386.42 (-1.30% DoD).

Local fixed income yields marginally fell ahead of May inflation data. On average, yields fell by 0.23 bps, with the 2Y closing at 6.3% (-0.61 bps) and the 10Y closing at 6.74% (-1.15 bps).

The **Philippine peso** slightly weakened as investors waited for the May local inflation print to be released today. The USD/PHP pair closed at 58.71 (+0.05% DoD).

US job openings fell to 8.06 million in April (March: revised 8.36 million), the lowest since February 2021 and below the market expectation of 8.35 million. Consequently, the number of available jobs per job seeker fell to 1.24 openings in April (March: 1.30), indicating a cooling labor market. This trend supports the Fed's efforts to combat inflation.

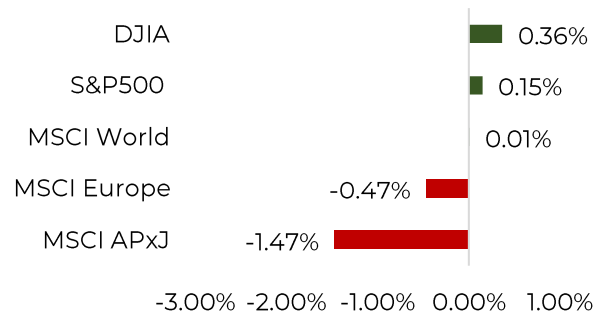
The Bank of Japan (BoJ) Deputy Governor Ryozi Himino said that the BoJ should remain vigilant about the yen's impact on the economy. Himino said that it would be inappropriate for central banks to directly intervene with exchange rates.

US equities edged higher as investors digested the lower-than-expected job openings report, which revived hopes for rate cuts. This was also ahead of the May nonfarm payrolls report. The S&P 500 closed at 5,291.34 (+0.15% DoD) and the DJIA closed at 38,711.29 (+0.36% DoD).

US Treasury yields fell after the job openings data for April came in weaker than expected, fueling bets of a Fed rate cut. On average, yields fell by 4.36 bps, with the 2Y closing at 4.77% (-3.80 bps) and the 10Y closing at 4.33% (-6.20 bps).

The **US dollar** slightly weakened as traders weighed the lower-than-expected labor data which buoyed hopes for rate cuts later this year. The DXY closed at 104.11 (-0.03% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,291.34	+0.15%
DJIA	38,711.29	+0.36%
3-mo US Treasury yield	5.41%	+2.00 bps
2-yr US Treasury yield	4.77%	-3.80 bps
10-yr US Treasury yield	4.33%	-6.20 bps
DXY	104.11	-0.03%

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