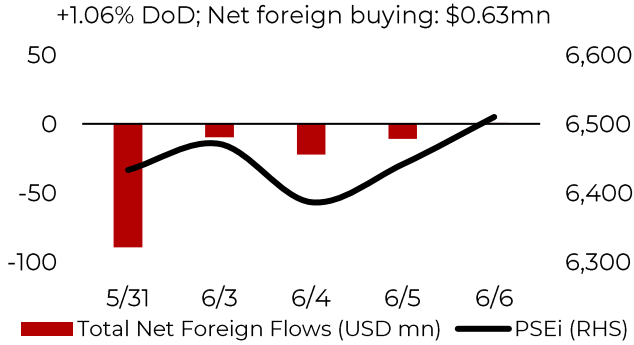


The Morning View

June 7, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,509.86	+1.06%
3-mo bond yield	5.74%	-0.23 bps
2-yr bond yield	6.28%	-0.62 bps
10-yr bond yield	6.69%	-3.03 bps
USDPHP	58.61	-0.29%
Oil (Brent, \$ / barrel)	79.87	+1.86%

The Philippine unemployment rate increased to a three-month high of 4.0% in April (March: 3.9%), according to the Philippine Statistics Authority (PSA). The rise was attributed to El Niño, which reduced agricultural production and labor demand during the period. Meanwhile, underemployment rate went up to 14.6% in April from 11% in March.

ACEN Corporation (PSEi Ticker: ACEN) subscribed to additional shares in its subsidiary Giga Ace 8, Inc. worth Php8.7 billion. The subscription will provide additional funding for the proposed 300-megawatt Palauig Solar 2 Project.

Local equities rose amid improved investors' sentiment after the slowdown in US private payrolls data raised hopes of rate cuts from the US Federal Reserve. The PSEi closed at 6,509.86 (+1.06% DoD).

Local fixed income yields continued to fall amid weaker-than-expected payrolls data. On average, yields fell by 0.94 bps, with the 2Y closing at 6.28% (-0.62 bps) and the 10Y closing at 6.69% (-3.03 bps).

The **Philippine peso** strengthened as investors digested the weaker-than-expected US private payrolls report which sparked hopes of rate cuts from the Fed this year. The USD/PHP pair closed at 58.61 (-0.29% DoD).

Saudi Aramco reported that it will lower its prices for all its oil exports to Asia in July amid growth concerns. The announcement came out days after OPEC+ members announced a rollback of supply cuts.

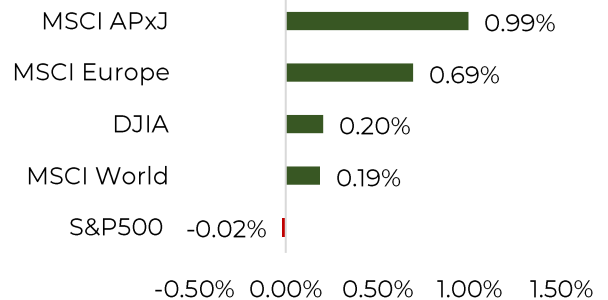
The European Central Bank (ECB) cut its record-high deposit rate by 25 basis points to 3.75% in its latest policy meeting. Although the ECB kept its options open for July, most Governing Council members urged for a cautious and data-dependent approach to monetary policy easing amid persistent inflation risks.

US equities ended mixed ahead of the May nonfarm payrolls report. The S&P 500 closed at 5,352.96 (-0.02% DoD) and the DJIA closed at 38,886.17 (+0.20% DoD).

US Treasury yields inched higher as investors turned their focus on the upcoming release of key labor market data in the US. On average, yields rose by 0.16 bps, with the 2Y closing at 4.73% (+0.40 bps) and the 10Y closing at 4.29% (+1.20 bps).

The **US dollar** weakened as traders positioned ahead of the May nonfarm payrolls data release. Investors also weighed the higher-than-expected US weekly jobless claims which signaled a cooling labor market. The DXY closed at 104.10 (-0.16% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,352.96	-0.02%
DJIA	38,886.17	+0.20%
3-mo US Treasury yield	5.41%	-0.90 bps
2-yr US Treasury yield	4.73%	+0.40 bps
10-yr US Treasury yield	4.29%	+1.20 bps
DXY	104.10	-0.16%