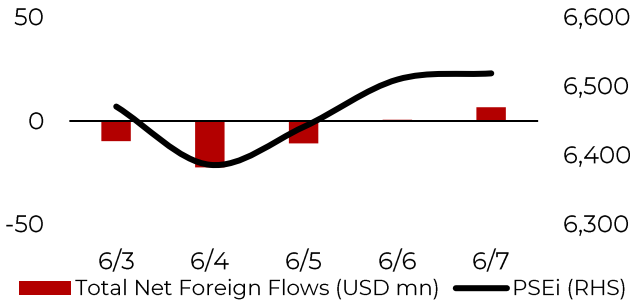


# The Morning View

June 10, 2024

## Philippine Stock Exchange Index

+0.14% DoD; Net foreign buying: \$6.64mn



	Level	DoD
PSEi	6,518.76	+0.14%
3-mo bond yield	5.70%	-3.91 bps
2-yr bond yield	6.28%	+0.41 bps
10-yr bond yield	6.69%	+0.72 bps
USDPHP	58.52	-0.16%
Oil (Brent, \$ / barrel)	79.62	-0.31%

**The Bangko Sentral ng Pilipinas (BSP) reported that the Philippines' gross international reserves rose to over a two-year high of \$104.5 billion as of end-May.** The 1.8% MoM increase was attributable to higher foreign investments during the period. The BSP also noted that this level is enough to cover about 7.7 months' worth of import requirements.

**Globe Telecom Inc. (PSEi Ticker: GLO) added 116 new cell sites and upgraded more than 800 mobile sites in 1Q24.** GLO disclosed that it aims to continue expanding and improving its delivery service and has set aside \$1 billion for capital expenditures this year.

**Local equities** marginally rose amid lack of significant market catalysts. This was also ahead of the release of the US nonfarm payrolls report for May. The PSEi closed at 6,518.76 (+0.14% DoD).

**Local fixed income yields** were mixed but fell on average following the higher-than-expected weekly jobless claims data in the US. On average, yields fell by 0.90 bps, with the 2Y closing at 6.28% (+0.41 bps) and the 10Y closing at 6.69% (+0.72 bps).

The **Philippine peso** strengthened as investors weighed the higher-than-expected US weekly jobless claims. The USD/PHP pair closed at 58.52 (-0.16% DoD).

**US nonfarm payrolls rose by 272,000 in May, higher than the market's expectation of 180,000 and the downwardly revised gain of 165,000 in April.** Meanwhile, average hourly earnings climbed more-than-anticipated by 4.1% YoY in May (April: revised 4.0%). These data suggest that the labor market remains resilient.

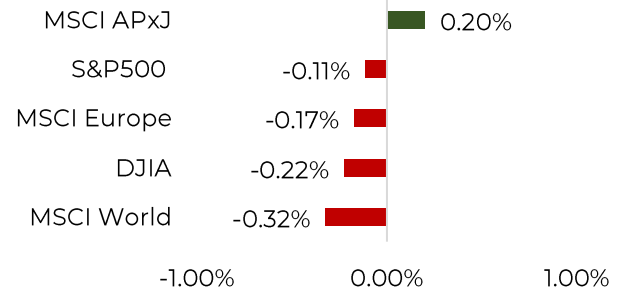
**US unemployment rate rose to 4.0% in May (April: 3.9%).** This was the highest level since January 2022 and likely reflected the increase in the supply of workers in the US. Meanwhile the labor force participation rate dropped to 62.5% (April: 62.7%).

**US equities** slipped after the higher-than-expected May nonfarm payrolls report tempered Fed rate cut expectations. The S&P 500 closed at 5,346.99 (-0.11% DoD) and the DJIA closed at 38,798.99 (-0.22% DoD).

**US Treasury yields** rose as the stronger-than-expected US nonfarm payrolls data for May reignited concerns over the timing of rate cuts from the Fed. On average, yields rose by 10.88 bps, with the 2Y closing at 4.89% (+16.10 bps) and the 10Y closing at 4.44% (+14.60 bps).

The **US dollar** strengthened following the higher-than-expected nonfarm payrolls report tempered market's bets of rate cuts later this year. The DXY closed at 104.89 (+0.75% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,346.99	-0.11%
DJIA	38,798.99	-0.22%
3-mo US Treasury yield	5.41%	0.00 bps
2-yr US Treasury yield	4.89%	+16.10 bps
10-yr US Treasury yield	4.44%	+14.60 bps
DXY	104.89	+0.75%

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