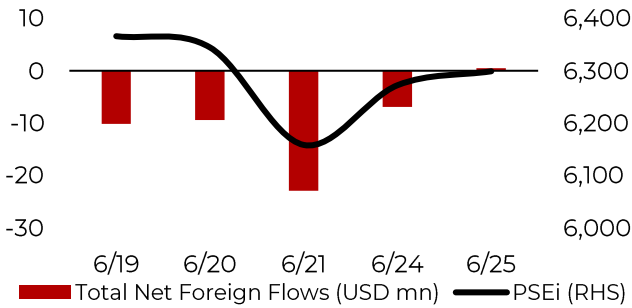


The Morning View

June 26, 2024

Philippine Stock Exchange Index

+0.42% DoD; Net foreign buying: \$0.49mn



	Level	DoD
PSEi	6,299.05	+0.42%
3-mo bond yield	5.70%	-2.35 bps
2-yr bond yield	6.27%	-0.48 bps
10-yr bond yield	6.70%	-0.55 bps
USDPHP	58.77	-0.05%
Oil (Brent, \$ / barrel)	85.01	-1.16%

The Department of Agriculture (DA) plans to propose raising rice tariffs when prices fall to around Php42-45 per kilogram.

Agriculture Secretary Francisco Tiu noted that they expect global rice prices to ease by November amid increased exports from India. Executive Order 62 calls for a review of the tariff every four months to adjust to global price changes.

SM Prime Holdings, Inc. (PSEi Ticker: SMPH) successfully raised Php25.0 billion through its retail bond offering.

The proceeds will be used to refinance existing debt obligations and to further expand the company's portfolio.

Local equities inched up on extended bargain-hunting and window-dressing activities. Foreign investors also turned to net buyers after nine straight sessions of selling. The PSEi closed at 6,299.05 (+0.42% DoD).

Local fixed income yields fell as investors awaited further guidance from the Bangko Sentral ng Pilipinas' (BSP) Monetary Board meeting. On average, yields fell by 0.74 bps, with the 2Y closing at 6.27% (-0.48 bps) and the 10Y closing at 6.7% (-0.55 bps).

The **Philippine peso** slightly strengthened ahead of the release of the US Personal Consumption Expenditures (PCE) inflation print which is expected to ease in May. The USD/PHP pair closed at 58.77 (-0.05% DoD).

US Federal Reserve Governor Michelle Bowman reiterated her view that holding the policy rates at elevated levels for some time will be enough to bring inflation under control. She also mentioned her willingness to raise rates if needed.

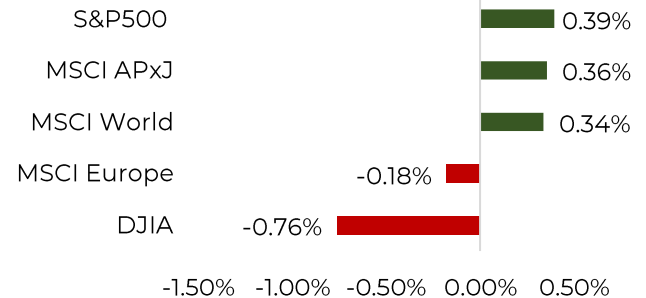
The Conference Board's US consumer confidence index fell to 100.4 in June (May: revised 101.3). Despite economic outlook concerns, optimism about the labor market remained high, and inflation expectations for the coming year decreased. Consumers' one-year inflation expectations eased to 5.3% in June (May: 5.4%).

US equities ended mixed after Nvidia stocks rebounded while Alphabet stocks hit record high. Investors also awaited the release of the PCE report this week. The S&P 500 closed at 5,469.30 (+0.39% DoD) and the DJIA closed at 39,112.16 (-0.76% DoD).

US Treasury yields inched up amid hawkish comments from Fed Governor Bowman and ahead of the US PCE inflation and durable goods data releases. On average, yields rose by 1.04 bps, with the 2Y closing at 4.75% (+1.70 bps) and the 10Y closing at 4.25% (+1.60 bps).

The **US dollar** strengthened as traders positioned ahead of the US PCE print. Investors also weighed Fed Governor Bowman's hawkish remarks who reiterated the need for the policy rate to remain steady to beat inflation. The DXY closed at 105.61 (+0.13% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,469.30	+0.39%
DJIA	39,112.16	-0.76%
3-mo US Treasury yield	5.36%	+0.20 bps
2-yr US Treasury yield	4.75%	+1.70 bps
10-yr US Treasury yield	4.25%	+1.60 bps
DXY	105.61	+0.13%

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