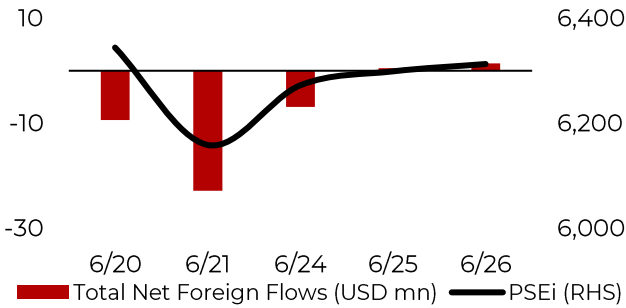


The Morning View

June 27, 2024

Philippine Stock Exchange Index

+0.22% DoD; Net foreign buying: \$1.44mn



	Level	DoD
PSEi	6,313.11	+0.22%
3-mo bond yield	5.70%	-0.16 bps
2-yr bond yield	6.26%	-0.47 bps
10-yr bond yield	6.68%	-1.44 bps
USDPHP	58.86	+0.15%
Oil (Brent, \$ / barrel)	85.25	+0.28%

The National Capital Region (NCR) is likely to see a wage increase in July, according to Labor Secretary Bienvenido Laguesma. While the exact amount was not specified, the NCR wage board is expected to announce the decision by mid-July. Last year's daily minimum wage was raised by Php40 to Php610 for non-agriculture workers and Php573 for agricultural workers.

Globe Telecom, Inc. (PSEi Ticker: GLO) will partner with Lynk to boost its communication services in remote areas. The partnership aims to utilize Lynk's satellite-to-mobile-phone technology to enhance mobile signal coverage.

Local equities slightly rose on continued bargain hunting. This was also amid cautious sentiment from investors ahead of the Bangko Sentral ng Pilipinas' (BSP) Monetary Board meeting. The PSEi closed at 6,313.11 (+0.22% DoD).

Local fixed income yields declined ahead of the Monetary Board meeting of the BSP today. On average, yields fell by 0.92 bps, with the 2Y closing at 6.26% (-0.47 bps) and the 10Y closing at 6.68% (-1.44 bps).

The **Philippine peso** weakened to a fresh 20-month low as the US dollar was bolstered by hawkish remarks from US Federal Reserve Governors Bowman and Cook. The USD/PHP pair closed at 58.86 (+0.15% DoD).

Finnish central-bank governor Rehn sees 2 more rate cuts from the European Central Bank this year. He also sees that borrowing costs could be reduced to as low as 2.25% in 2025. He said inflation is expected to decelerate towards the 2% goal even with rate cuts.

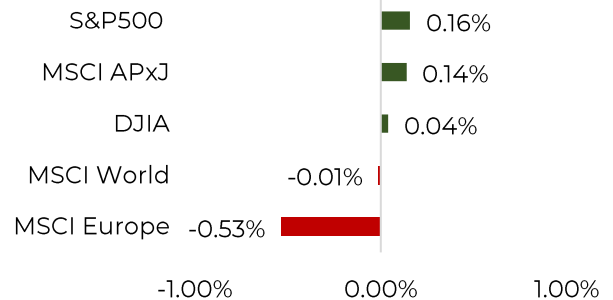
US single-family home sales fell 11.3% YoY to a six-month low of 619,000 units in May, the Commerce Department's Census Bureau reported. This was due to rising mortgage rates weighing down on demand. On the other hand, new home sales for April was revised up to 698,000 units from previously 634,000.

US equities edged higher as Amazon stocks hit a record high, while FedEx stocks rose on upbeat fourth quarter earnings. However, gains were capped by weak sentiment following the sluggish home sales report and the hawkish remarks from US Fed Governors Bowman and Cook. The S&P 500 closed at 5,477.90 (+0.16% DoD) and the DJIA closed at 39,127.80 (+0.04% DoD).

US Treasury yields rose investors continued to weigh Fed officials' hawkish comments on the policy path. On average, yields rose by 5.37 bps, with the 2Y closing at 4.75% (+0.50 bps) and the 10Y closing at 4.33% (+8.10 bps).

The **US dollar** strengthened to its highest level since November as US Fed officials continued reiterate caution before cutting rates. The DXY closed at 106.05 (+0.42% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,477.90	+0.16%
DJIA	39,127.80	+0.04%
3-mo US Treasury yield	5.38%	+2.20 bps
2-yr US Treasury yield	4.75%	+0.50 bps
10-yr US Treasury yield	4.33%	+8.10 bps
DXY	106.05	+0.42%

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