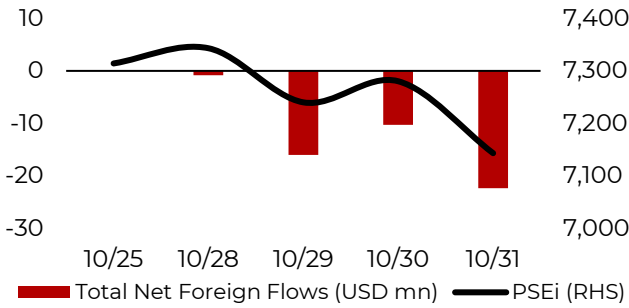


The Morning View

November 4, 2024

Philippine Stock Exchange Index

-1.89% DoD; Net foreign selling: \$22.39mn



	Level	DoD
PSEi	7,142.96	-1.89%
3-mo bond yield	5.33%	+2.60 bps
2-yr bond yield	5.64%	+0.76 bps
10-yr bond yield	5.88%	+0.04 bps
USDPHP	58.10	-0.22%
Oil (Brent, \$ / barrel)	73.10	-0.08%

*As of October 31, 2024

The US core personal consumption expenditures (PCE) price index inflation, the US Federal Reserve's preferred inflation gauge, held steady at 2.7% YoY in September. This was above market consensus of 2.6% and was driven by services inflation.

US nonfarm payrolls rose by 12,000 in October (September revised: 223,000), below market's estimates of 100,000. The significant drag was driven by labor strikes in the aerospace industry and the shortened collection period of payrolls due to Hurricanes Helene and Milton.

US equities climbed due to Amazon's stronger-than-expected results. Gains were capped by a sharp drop in US job growth in October and the uncertainty ahead of the US elections. The S&P 500 closed 5,728.80 at (+0.41% DoD) and the DJIA closed at 42,052.19 (+0.69 DoD).

US Treasury yields rose as investors digested the faster-than-expected September core PCE inflation print. On average, yields rose by 5.15 bps, with the 2Y closing at 4.21% (+3.80 bps) and the 10Y closing at 4.39% (+10.00 bps).

The **US dollar** strengthened as steady October jobless rate of 4.1% and a slight rise in average hourly earnings growth to 4.0% signaled labor market resilience. The DXY closed at 104.28 (+0.29% DoD).

The Bangko Sentral ng Pilipinas (BSP) projects that headline inflation accelerated to a range of 2.0% to 2.8% in October. The BSP cited higher food and fuel prices, as well as the peso depreciation as the main drivers of inflation for the month.

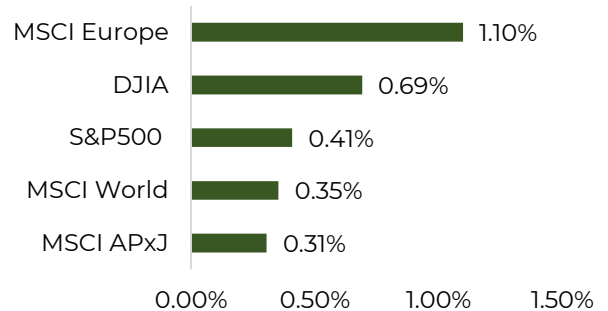
Manila Electric Company's (PSE Ticker: MER) Terra Solar project achieved 73% overall progress, slightly ahead of 2026 schedule. MER's subsidiary, SP New Energy Corp., is developing a solar project consisting of a 3,500-megawatt solar power plant and a 4,000-megawatt-hour energy storage system.

Local equities fell as investors took profits and digested data showing that the national government's outstanding debt reached a record high as of end-September. Investors also stayed cautious ahead of the US presidential elections. The PSEi closed at 7,142.96 (-1.89% DoD).

Local fixed income yields increased as investors weighed higher local October inflation expectations, with the BSP forecasting 2.0% to 2.8%. On average, yields rose by 1.27 bps, with the 2Y closing at 5.64% (+0.76 bps) and the 10Y closing at 5.88% (+0.04 bps).

The **Philippine peso** strengthened ahead of the release of the US nonfarm payrolls in October and the US Personal Consumption Expenditures (PCE) inflation data in September. The USD/PHP pair closed at 58.10 (-0.22% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,728.80	+0.41%
DJIA	42,052.19	+0.69%
3-mo US Treasury yield	4.53%	-2.50 bps
2-yr US Treasury yield	4.21%	+3.80 bps
10-yr US Treasury yield	4.39%	+10.00 bps
DXY	104.28	+0.29%

*As of November 1, 2024

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