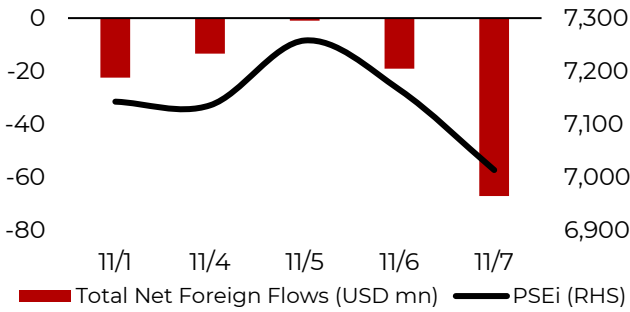


The Morning View

November 8, 2024

Philippine Stock Exchange Index

-2.11% DoD; Net foreign selling: \$66.95mn



	Level	DoD
PSEi	7,014.44	-2.11%
3-mo bond yield	5.50%	-2.93 bps
2-yr bond yield	5.71%	+0.87 bps
10-yr bond yield	5.91%	-4.22 bps
USDPHP	58.73	+0.12%
Oil (Brent, \$ / barrel)	75.63	+0.95%

PH Gross Domestic Product (GDP) grew by 5.2% YoY in 3Q24 (2Q24: revised 6.4%), below the consensus estimate of 5.7%. The weaker-than-expected growth print was primarily due to slower government spending, lower exports, and higher imports. Nonetheless, household consumption improved to 5.1% YoY (2Q24: revised 4.7%).

Monde Nissin Corporation (PSE Ticker: MONDE) posted a net income of Php2.0 billion (+226% QoQ, -14% YoY). MONDE noted that the YoY decline reflected an impairment loss and restructuring costs in its meat alternative business, partly offset by a ~Php495 million non-cash gain on its guaranty asset.

Local equities tumbled after the softer-than-expected GDP growth in 3Q24 dampened investors' sentiment. Investors also digested the re-election of Donald Trump as US president. The PSEi closed at 7,014.44 (-2.11% DoD).

Local fixed income yields closed mixed but declined on average after 3Q24 PH GDP growth came out slower than expected. Investors also positioned ahead of the Fed's policy meeting. On average, yields fell by 1.53 bps, with the 2Y closing at 5.71% (+0.87 bps) and the 10Y closing at 5.91% (-4.22 bps).

The **Philippine peso** weakened due to the below-consensus 3Q24 GDP growth. The USD/PHP pair closed at 58.73 (+0.12% DoD).

US Federal Reserve cuts policy rates by 25 bps to 4.50%-4.75% range. The Fed's policy statement noted that risks to the labor market and inflation were "roughly in balance". Additionally, Fed Chair Powell reiterated its cautious approach on policy easing and says election results have no near-term impact on monetary policy.

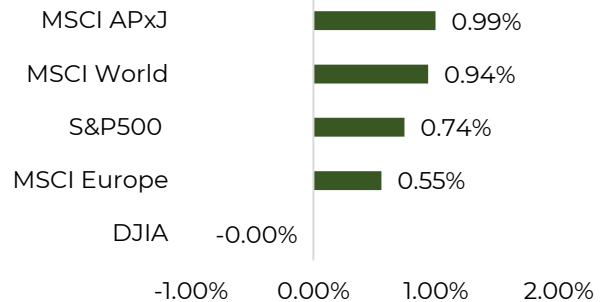
US initial weekly jobless claims marginally rose to a seasonally adjusted 221,000 in line with consensus. This is an increase of 3,000 compared to the prior week's 12,000 drop. Meanwhile, unit labor costs sharply rose by 1.9% QoQ in 3Q24 from 0.4% in 2Q24.

US equities closed mixed following the US Fed's second policy rate cut this year. Investors also weighed Fed Chair Powell's remark that the Fed will likely stick to small rate movements moving forward. The S&P 500 closed at 5,973.10 (+0.74% DoD) and the DJIA closed at 43,729.34 (-0.00% DoD).

US Treasury yields declined following the Fed's decision to reduce its policy rate by 25 bps. On average, yields fell by 6.97 bps, with the 2Y closing at 4.20% (-6.50 bps) and the 10Y closing at 4.33% (-10.50 bps).

The **US dollar** weakened after the Fed slashed interest rates by 25 bps. Investors also took profits after surging this week. The DXY closed at 104.51 (-0.55% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,973.10	+0.74%
DJIA	43,729.34	-0.00%
3-mo US Treasury yield	4.55%	+0.20 bps
2-yr US Treasury yield	4.20%	-6.50 bps
10-yr US Treasury yield	4.33%	-10.50 bps
DXY	104.51	-0.55%