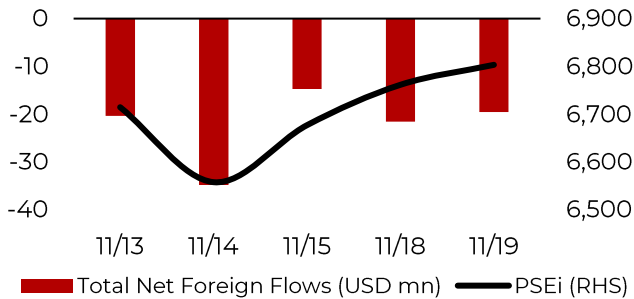


The Morning View

November 20, 2024

Philippine Stock Exchange Index

+0.62% DoD; Net foreign selling: \$19.61mn



	Level	DoD
PSEi	6,803.19	+0.62%
3-mo bond yield	5.59%	-2.07 bps
2-yr bond yield	5.85%	-0.90 bps
10-yr bond yield	6.05%	-2.32 bps
USDPHP	58.81	+0.22%
Oil (Brent, \$ / barrel)	73.31	+0.01%

Bangko Sentral ng Pilipinas (BSP) Governor Eli Remolona said that further policy easing is still underway. However, he noted that a rate pause in December is possible and that the central bank will proceed to cut gradually in 25-basis-point increments depending on data, particularly local inflation.

GT Capital Holdings, Inc. (PSE Ticker: GTCAP)'s automotive business, Toyota Motors Philippines Corp. (TMP), sees exports in auto parts to grow by 5% next year. This is hinged on expectations that sales in other countries would improve. In 2023, TMP contributed around 30% of the Philippines' total auto parts exports, equivalent to \$1.26 billion.

Local equities rose as investors' optimism grew after BSP Governor Remolona signaled that the central bank is still on track for further policy easing. The PSEi closed at 6,803.19 (+0.62% DoD).

Local fixed income yields declined following hints from BSP Governor Remolona that there will be more rate cuts ahead. On average, yields fell by 0.12 bps, with the 2Y closing at 5.85% (-0.90 bps) and the 10Y closing at 6.05% (-2.32 bps).

The **Philippine Peso** slightly weakened as investors awaited further signals from the US Fed on its next policy decision and digested softer market expectations of Fed rate cuts following Trump's win. The USD/PHP pair closed at 58.81 (+0.22% DoD).

Kansas City Fed President Jeffrey Schmid said that it remains uncertain how far interest rates can fall. He acknowledged the Fed's growing confidence that inflation is on a path to reaching the 2% target but added that it remains to be seen where rates will eventually settle.

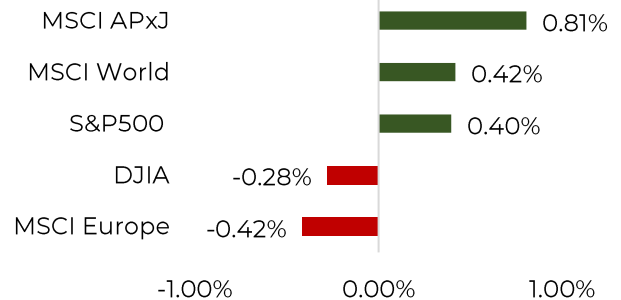
US single-family housing starts dropped by 6.9% MoM in October, impacted by Hurricanes Helene and Milton in the South and rising mortgage rates. High new home inventory suggests that single-family construction may remain flat in the coming months.

US equities ended mixed ahead of Nvidia's earnings results. Investors also weighed the mounting Russia-Ukraine tensions, and Kansas Fed President Schmid's comment that the future policy path remains uncertain. The S&P 500 closed at 5,916.98 (+0.40% DoD) and the DJIA closed at 43,268.94 (-0.28% DoD).

US Treasury yields fell amid concerns over heightened geopolitical tensions between Russia and Ukraine. On average, yields fell by 1.43 bps, with the 2Y closing at 4.29% (+0.30 bps) and the 10Y closing at 4.40% (-1.80 bps).

The **US dollar** slightly weakened amid cooling dovish bets after Fed officials emphasized a cautious approach to rate cuts. The DXY closed at 106.18 (-0.09% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,916.98	+0.40%
DJIA	43,268.94	-0.28%
3-mo US Treasury yield	4.53%	+0.60 bps
2-yr US Treasury yield	4.29%	+0.30 bps
10-yr US Treasury yield	4.40%	-1.80 bps
DXY	106.18	-0.09%

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