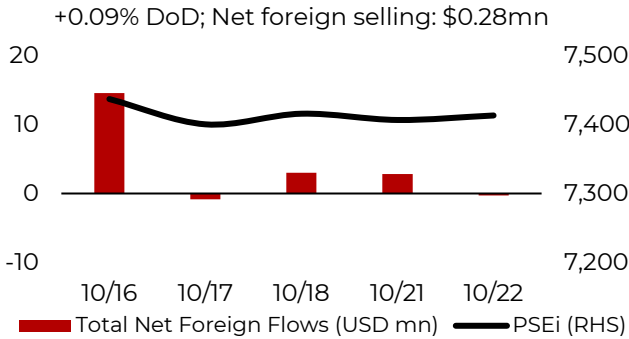


Philippine Stock Exchange Index



	Level	DoD
PSEi	7,413.16	+0.09%
3-mo bond yield	5.32%	+11.74 bps
2-yr bond yield	5.54%	+2.68 bps
10-yr bond yield	5.83%	+6.73 bps
USDPHP	57.88	+0.50%
Oil (Brent, \$ / barrel)	76.04	+2.36%

The Bangko Sentral ng Pilipinas (BSP) reported that foreign borrowings rose by 36% YoY to \$3.81 billion in 3Q24. This brought the public sector foreign borrowings to \$10.6 billion in 9M24. BSP mentioned that proceeds will be used to fund the government's general budget financing and refinancing of assets.

Manila Water Co., Inc. (PSE Ticker: MWC) completed the Php1.02-billion divestment from Bulakan Water Co., Inc. and Obando Water Co., Inc. MWC disclosed that the proceeds of the divestment will be used to finance the other strategic initiatives of the company.

Local equities climbed as investors anticipated strong 3Q24 corporate results and further monetary easing by the BSP. However, gains were tempered by rising US Treasury yields and the weakening peso. The PSEi closed at 7,413.16 (+0.09% DoD).

Local fixed income yields rose as investors weighed remarks from several US Fed policymakers urging patience on the timing of further rate cuts. On average, yields rose by 6.74 bps, with the 2Y closing at 5.54% (+2.68 bps) and the 10Y closing at 5.83% (+6.73 bps).

The **Philippine peso** weakened to a 10-week low as traders digested cautious comments from several Fed officials, hinting at a slower pace of Fed rate cuts ahead. The USD/PHP pair closed at 57.88 (+0.50% DoD).

The International Monetary Fund (IMF) lowered its global growth forecast to 3.2% for 2024 and 2025 (July: 3.2% and 3.3%, respectively). The IMF cited multiple downside risks including geopolitical conflicts, significant trade policy shifts, and sharp reduction in migration into advanced economies.

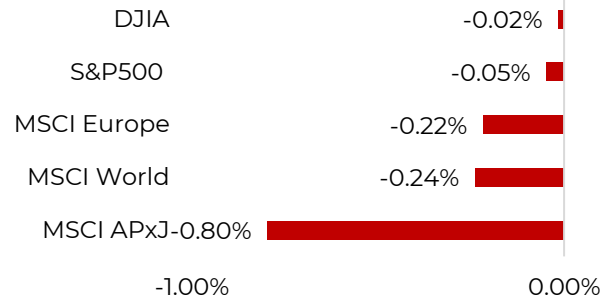
European Central Bank (ECB) policymakers warned about the risk of inflation falling below the 2% target amid a weak growth outlook. Nonetheless, ECB President Christine Lagarde remarked that inflation would likely come back to target by next year.

US equities fell as investors digested the continued rise in US Treasury yields and awaited more 3Q24 earnings results. The S&P 500 closed at 5,851.20 (-0.05% DoD) and the DJIA closed at 42,924.89 (-0.02% DoD).

US Treasury yields jumped after several Fed officials, including Minneapolis Fed President Kashkari and Kansas City Fed President Schmid, urged caution on the path of policy rates. On average, yields rose by 0.52 bps, with the 2Y closing at 4.04% (+0.10 bps) and the 10Y closing at 4.21% (+1.20 bps).

The **US Dollar** strengthened as investors continued to weigh diminishing expectations of larger Fed rate cuts. Traders also positioned ahead of an apparently tight US presidential election. The DXY closed at 104.08 (+0.06% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,851.20	-0.05%
DJIA	42,924.89	-0.02%
3-mo US Treasury yield	4.64%	0.00 bps
2-yr US Treasury yield	4.04%	+0.10 bps
10-yr US Treasury yield	4.21%	+1.20 bps
DXY	104.08	+0.06%

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