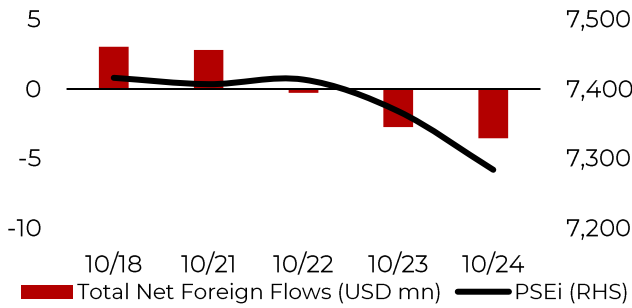


The Morning View

October 25, 2024

Philippine Stock Exchange Index

-1.14% DoD; Net foreign selling: \$3.56mn



	Level	DoD
PSEi	7,283.79	-1.14%
3-mo bond yield	5.14%	-18.65 bps
2-yr bond yield	5.58%	+1.82 bps
10-yr bond yield	5.85%	-4.75 bps
USDPHP	57.88	0.00%
Oil (Brent, \$ / barrel)	74.38	-0.77%

The Bureau of the Treasury (BTr) reported that the country's budget deficit rose to Php273.27 billion in September (+8.90% YoY), bringing the 9M24 budget deficit narrower to Php970.22 billion (-1.35% YoY). The softer year-to-date budget deficit was driven by higher revenue collections, offsetting the minimal rise in expenditures.

ACEN Corp. (PSE Ticker: ACEN) will invest up to \$18 million in a 70-megawatt solar project in Bangladesh. The investment is part of ACEN's equity investment of up to \$200-million for renewable energy projects in Asia.

Local equities extended its decline amid a lack of positive catalysts. Negative spillover from Wall Street and concerns over the onslaught of Tropical Storm Kristine also dampened sentiment. The PSEi closed at 7,283.79 (-1.14% DoD).

Local fixed income yields closed mixed as investors weighed the potential impact of Tropical Storm Kristine and Fitch's view that local economic growth is likely to fall below the government's target this year. On average, yields fell by 4.59 bps, with the 2Y closing at 5.58% (+1.82 bps) and the 10Y closing at 5.85% (-4.75 bps).

The **Philippine peso** was unchanged as trading remained suspended due to Tropical Storm Kristine. The USD/PHP pair closed at 57.88 (0.00% DoD).

US Composite Purchasing Managers' Index (PMI) inched up to 54.3 in October (September: 54.0). The increase was on the back of higher domestic demand for services, which offset the continued weakness in new orders in the manufacturing sector.

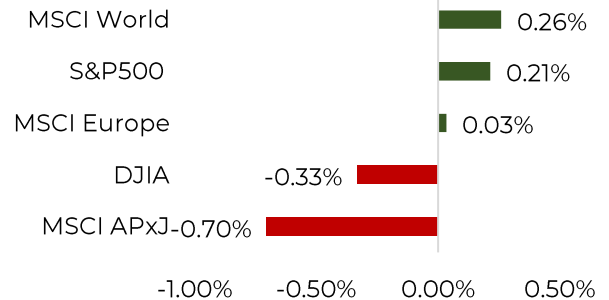
US weekly jobless claims dropped by 15,000 to 227,000 for the week ended October 19. This drop likely reflected an ebb in claims from Hurricane Helene, which earlier this month had boosted applications. The lower-than-expected initial jobless claims data continued to underscore the resilience of the US labor market.

US equities were mixed as investors digested recent 3Q24 earnings results. Tesla surged on upbeat earnings, while IBM fell after missing analysts' estimates. The S&P 500 closed at 5,809.86 (+0.21% DoD) and the DJIA closed at 42,374.36 (-0.33% DoD).

US Treasury yields closed mixed following the below-consensus initial jobless claims data as well as cautious remarks from Cleveland Fed President Hammack, who said that inflation readings have generally improved but remain above the Fed's 2% target. On average, yields fell by 2.21 bps, with the 2Y closing at 4.08% (+0.10 bps) and the 10Y closing at 4.21% (-3.40 bps).

The **US Dollar** slightly weakened after rallying to a near-three-month high amid profit-taking. The DXY closed at 104.06 (-0.36% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,809.86	+0.21%
DJIA	42,374.36	-0.33%
3-mo US Treasury yield	4.62%	-2.20 bps
2-yr US Treasury yield	4.08%	+0.10 bps
10-yr US Treasury yield	4.21%	-3.40 bps
DXY	104.06	-0.36%

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