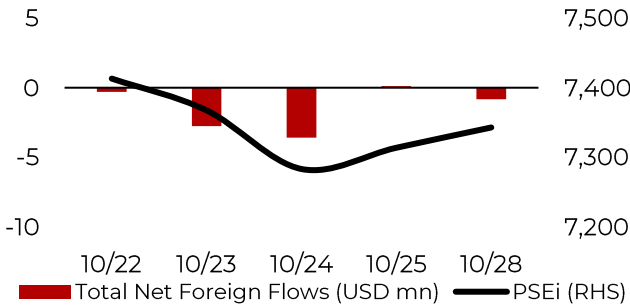


The Morning View

October 29, 2024

Philippine Stock Exchange Index

+0.40% DoD; Net foreign selling: \$0.82mn



| | Level | DoD |
|--------------------------|----------|-----------|
| PSEi | 7,343.24 | +0.40% |
| 3-mo bond yield | 5.25% | +5.45 bps |
| 2-yr bond yield | 5.60% | +1.21 bps |
| 10-yr bond yield | 5.85% | +2.21 bps |
| USDPHP | 58.23 | -0.16% |
| Oil (Brent, \$ / barrel) | 71.42 | -6.09% |

The International Monetary Fund (IMF) said that risks to the Philippine inflation outlook have receded but remain tilted to the upside. IMF cited that food prices remain vulnerable to supply shocks, while rising geopolitical tensions and recurrent commodity price volatility also pose upside risks.

PLDT, Inc. (PSE Ticker: TEL) through its unit Smart Communications, Inc. will boost its coverage in Mindanao. TEL remarked that continued investments in network expansion will help advance the Philippines' digitization efforts.

Local equities slightly rose as more companies released 3Q24 earnings results. However, gains were tempered as investors remained cautious ahead of the US elections and release of the 3Q24 gross domestic product data next week. The PSEi closed at 7,343.24 (+0.40% DoD).

Local fixed income yields rose as investors weighed the IMF's view that risks to local inflation are still tilted to the upside. On average, yields rose by 2.04 bps, with the 2Y closing at 5.60% (+1.21 bps) and the 10Y closing at 5.85% (+2.21 bps).

The **Philippine peso** strengthened after global crude oil prices declined and several Fed policymakers expressed support for further rate cuts. The USD/PHP pair closed at 58.23 (-0.16% DoD).

Japan's Liberal Democratic Party (LDP) fails to retain parliamentary majority, complicating the Bank of Japan's policy rate path. According to Mizuho senior economist Saisuke Sakai, the new government will be forced to pursue expansionary fiscal and monetary policies to ease burdens on voters.

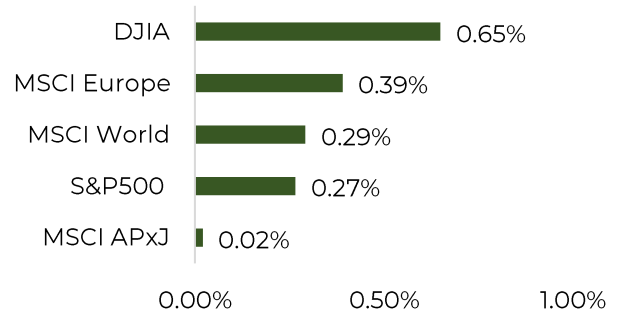
The People's Bank of China (PBOC) launched an open market outright reverse repo operations facility to boost liquidity in the market. This new lending tool could help support credit flow ahead of the ~\$406.6-billion medium-term loan expirations by year-end.

US equities rose as investors awaited the release of 3Q24 earnings results of megacap stocks. Market sentiment also improved as energy supplies remained stable despite the escalating Middle East tensions. The S&P 500 closed at 5,823.52 (+0.27% DoD) and the DJIA closed at 42,387.57 (+0.65% DoD).

US Treasury yields jumped ahead of the release of job openings data and the Conference Board consumer confidence report this week, which could influence the policy decision of the Fed in November. On average, yields rose by 2.51 bps, with the 2Y closing at 4.14% (+3.50 bps) and the 10Y closing at 4.28% (+4.20 bps).

The **US Dollar** slightly strengthened ahead of key US economic data releases and the presidential election. The DXY closed at 104.32 (+0.06% DoD).

Global Stock Indices



| | Level | DoD |
|-------------------------|-----------|-----------|
| S&P 500 | 5,823.52 | +0.27% |
| DJIA | 42,387.57 | +0.65% |
| 3-mo US Treasury yield | 4.62% | -3.10 bps |
| 2-yr US Treasury yield | 4.14% | +3.50 bps |
| 10-yr US Treasury yield | 4.28% | +4.20 bps |
| DXY | 104.32 | +0.06% |

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