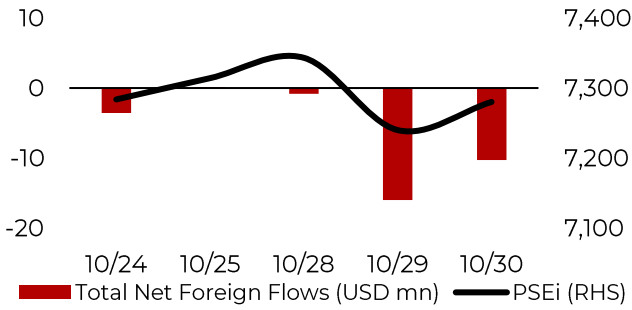


# The Morning View

October 31, 2024

## Philippine Stock Exchange Index

+0.56% DoD; Net foreign selling: \$10.30mn



	Level	DoD
PSEi	7,280.24	+0.56%
3-mo bond yield	5.30%	+0.36 bps
2-yr bond yield	5.63%	+2.02 bps
10-yr bond yield	5.88%	+0.03 bps
USDPHP	58.23	-0.08%
Oil (Brent, \$ / barrel)	72.55	+2.01%

**The Bureau of the Treasury (BTr) reported that the national government's outstanding debt jumped to a record-high of Php15.89 trillion as of end-September.** This was driven by a Php145.11-billion net issuance of new government securities but was offset by a decrease in the value of US dollar-denominated securities due to the appreciation of the peso.

**Semirara Mining and Power Corp. (PSE Ticker: SCC) reported a net income of Php15.7 billion (-31% YoY) for 9M24.** The decline was attributed to the impact of the rainy season on both coal shipments and electricity prices.

**Local equities** climbed amid bargain hunting and as investors digested 3Q24 corporate earnings results. Gains were capped by uncertainty over the upcoming US elections. The PSEi closed at 7,280.24 (+0.56% DoD).

**Local fixed income yields** inched up as investors awaited the release of 3Q24 Gross Domestic Product (GDP) growth print and key labor data in the US. On average, yields fell by 0.03 bps, with the 2Y closing at 5.63% (+2.02 bps) and the 10Y closing at 5.88% (+0.03 bps).

The **Philippine peso** strengthened amid cautious sentiment ahead of the US presidential elections and the upcoming US GDP release. The USD/PHP pair closed at 58.23 (-0.08% DoD).

**US 3Q24 GDP grew by 2.8% QoQ SAAR (2Q24: 3.0%), slightly below consensus expectations of 2.9%.** The miss was attributable to the widening trade deficit as businesses boosted imports to satisfy demand. Meanwhile, consumer spending grew at its fastest pace in one-and-a-half years by 3.7% (2Q24: 2.8%)

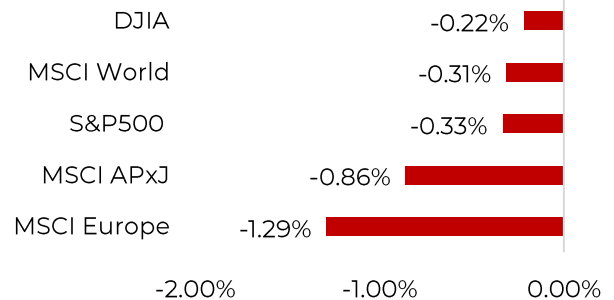
**US ADP private payrolls grew by 233,000 in October (September: revised 159,000), topping the consensus estimate of 111,000 and the largest gain since July 2023.** Education and health services, trade, transportation, and utilities led the gains, while manufacturing reported job losses amid the Boeing strike.

**US equities** fell as chip stocks declined after weak 4Q24 forecasts from Advanced Micro Devices weighed down on market sentiment. Investors also remained cautious as they awaited the release of key inflation data. The S&P 500 closed at 5,813.67 (-0.33% DoD) and the DJIA closed at 42,141.54 (-0.22% DoD).

**US Treasury yields** rebounded as investors digested the stronger-than-expected ADP private payrolls report in October. On average, yields rose by 3.58 bps, with the 2Y closing at 4.19% (+8.50 bps) and the 10Y closing at 4.30% (+4.60 bps).

The **US dollar** weakened as traders positioned ahead of the release of the US personal consumption expenditure (PCE) and non-farm payrolls data. The DXY closed at 103.99 (-0.31% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,813.67	-0.33%
DJIA	42,141.54	-0.22%
3-mo US Treasury yield	4.58%	-1.90 bps
2-yr US Treasury yield	4.19%	+8.50 bps
10-yr US Treasury yield	4.30%	+4.60 bps
DXY	103.99	-0.31%

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