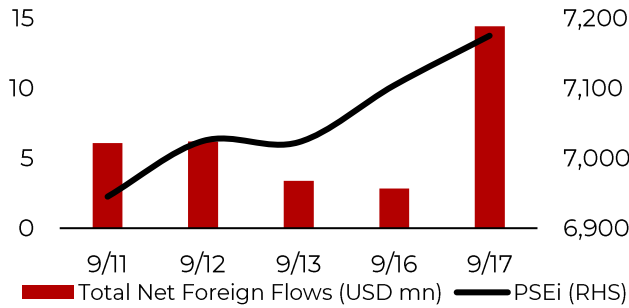


The Morning View

September 18, 2024

Philippine Stock Exchange Index

+1.00% DoD; Net foreign buying: \$14.44mn



	Level	DoD
PSEi	7,175.36	+1.00%
3-mo bond yield	5.79%	-5.61 bps
2-yr bond yield	5.94%	-4.32 bps
10-yr bond yield	5.99%	-7.28 bps
USDPHP	55.70	-0.35%
Oil (Brent, \$ / barrel)	73.70	+1.31%

Philippine vehicle sales rose to 39,155 units in August (+6.64% YoY), a joint report by the Chamber of Automotive Manufacturers of the Philippines, Inc. (CAMPI) and the Truck Manufacturers Association (TMA) showed. The increase was driven by an 11.30% YoY jump in commercial vehicle sales, but partially offset by a 5.60% YoY drop in passenger car sales.

Manila Electric Co.'s (PSE Ticker: MER) sustainable mobility arm Movem Electric, Inc., partners with Uratex to support its logistics operations. Movem will support Uratex through the gradual transition of its internal fleet to electrical as part of its zero emissions goal.

Local equities rose as investors cheered the growing expectations of a Fed rate cut, strong July cash remittances, and the Board of Investments' approved investment pledges which surpassed 2023's total level. The PSEi closed at 7,175.36 (+1.00% DoD).

Local fixed income yields fell ahead of the US Federal Reserve's policy meeting. Markets widely anticipate the Fed cutting rates this week. On average, yields fell by 4.83 bps, with the 2Y closing at 5.94% (-4.32 bps) and the 10Y closing at 5.99% (-7.28 bps).

The **Philippine peso** strengthened amid growing bets of a dovish US Federal Reserve. The USD/PHP pair closed at 55.70 (-0.35% DoD).

US retail sales rose higher-than-expected by 0.1% MoM in August (July: revised +1.1%, consensus: -0.2%) amid robust online purchases which offset declines in auto dealership receipts. Meanwhile, core retail sales rose by 0.3% MoM in August.

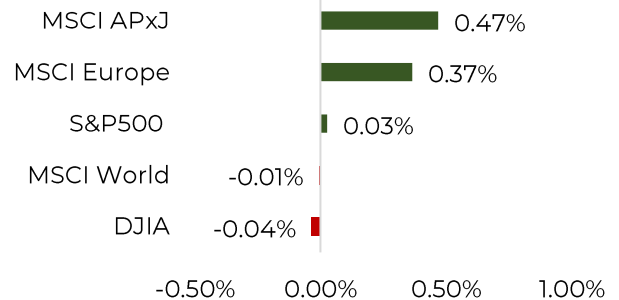
European Central Bank (ECB) Governing Council member Gediminas Šimkus said that the odds of the ECB cutting rates in October are "very small." He added that there are few data points in October and that the economy is moving consistently with their forecasts.

US equities closed flat as investors turned cautious ahead of the Fed's policy decision. The market also weighed the above-consensus August retail sales growth, which could influence the Fed's policy move. The S&P 500 closed at 5,634.58 (+0.03% DoD) and the DJIA closed at 41,606.18 (-0.04% DoD).

US Treasury yields rose as investors digested the surprise rise in US retail sales data which tempered bets of a 50-bp Fed rate cut. On average, yields rose by 2.36 bps, with the 2Y closing at 3.61% (+5.40 bps) and the 10Y closing at 3.65% (+3.00 bps).

The **US dollar** slightly strengthened as traders weighed the stronger-than-expected US retail sales data which underscored the resilience of consumer spending. The DXY closed at 100.89 (+0.13% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,634.58	+0.03%
DJIA	41,606.18	-0.04%
3-mo US Treasury yield	4.87%	-1.40 bps
2-yr US Treasury yield	3.61%	+5.40 bps
10-yr US Treasury yield	3.65%	+3.00 bps
DXY	100.89	+0.13%

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