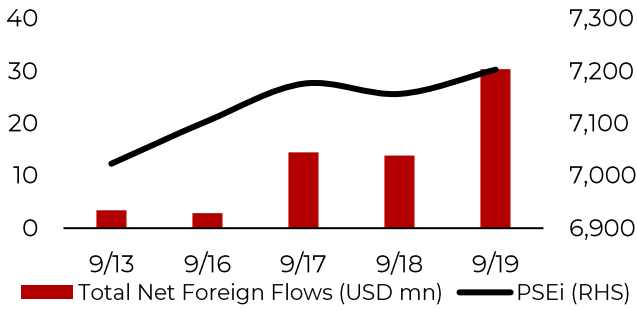


# The Morning View

September 20, 2024

## Philippine Stock Exchange Index

+0.65% DoD; Net foreign buying: \$30.32mn



	Level	DoD
PSEi	7,202.16	+0.65%
3-mo bond yield	5.73%	-0.54 bps
2-yr bond yield	5.76%	-13.98 bps
10-yr bond yield	5.83%	-12.88 bps
USDPHP	55.61	-0.20%
Oil (Brent, \$ / barrel)	74.88	+1.67%

**National Economic and Development Authority (NEDA) Secretary Arsenio M. Balisacan said that domestic rice prices could decline further amid the entry of more imports under lowered tariffs.** Recall that Executive Order No. 62 which reduced rice tariffs to 15% from 35% took effect last July 5.

**PLDT Inc.'s (PSE Ticker: TEL) \$3-million settlement receives approval from the US courts.** The case involved allegations against PLDT regarding false and misleading statements about its capital expenditures. The court's approval concludes the litigation that began in 2023.

**Local equities** jumped as the local market cheered the half-percentage-point rate cut by the US Fed. This was also on the back of strong net foreign buying. The PSEi closed at 7,202.16 (+0.65% DoD).

**Local fixed income yields** declined following the 50-bp cut from the Federal Reserve. On average, yields fell by 9.97 bps, with the 2Y closing at 5.76% (-13.98 bps) and the 10Y closing at 5.83% (-12.88 bps).

The **Philippine peso** strengthened after the US Federal Reserve delivered its first rate cut since March 2020. The USD/PHP pair closed at 55.61 (-0.20% DoD).

**The Bank of England (BoE) maintained its policy rate at 5%.** The governor noted that progress against inflation has been made but further evidence will be needed before cutting interest rates again. Investors largely expect the BoE to cut by November.

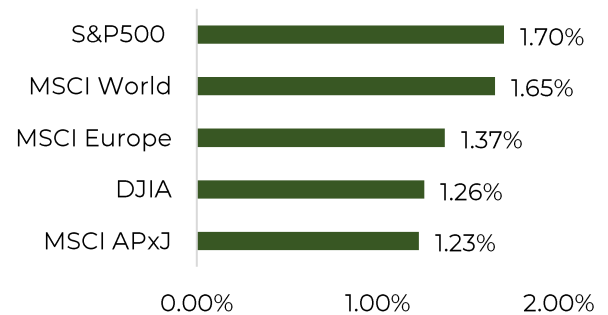
**US weekly jobless claims dropped by 12,000 to 219,000 for the week ending September 14, falling below markets' expectation of 230,000.** This marked a four-month low, confirming that the labor market remains healthy despite a slowdown in hiring.

**US equities** soared to record highs as tech stocks rallied after risk-on appetite was stoked by the below-consensus weekly jobless claims. This signals a resilient labor market, which fueled market's optimism that the Fed can achieve a soft landing. The S&P 500 closed at 5,713.64 (+1.73% DoD) and the DJIA closed at 42,025.19 (+1.26% DoD).

**US Treasury yields** closed mixed as investors weighed the below-consensus jobless claims data and the Fed's policy rate cut decision. On average, yields fell by 1.40 bps, with the 2Y closing at 3.59% (-3.70 bps) and the 10Y closing at 3.72% (+1.10 bps).

The **US dollar** closed flat as lower-than-expected jobless claims showed the resilience of the US labor market. This was despite the 50-bps cut by the Fed earlier this week. The DXY closed at 100.61 (+0.02% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,713.64	+1.70%
DJIA	42,025.19	+1.26%
3-mo US Treasury yield	4.73%	-4.20 bps
2-yr US Treasury yield	3.59%	-3.70 bps
10-yr US Treasury yield	3.72%	+1.10 bps
DXY	100.61	+0.02%

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