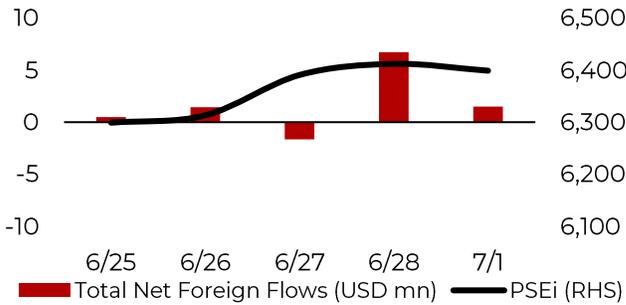


# The Morning View

July 2 2024

## Philippine Stock Exchange Index

-0.20% DoD; Net foreign buying: \$1.51mn



	Level	DoD
PSEi	6,398.77	-0.20%
3-mo bond yield	5.73%	-0.85 bps
2-yr bond yield	6.26%	-0.13 bps
10-yr bond yield	6.65%	-0.74 bps
USDPHP	58.65	+0.07%
Oil (Brent, \$ / barrel)	86.60	+0.22%

**The Regional Tripartite Wages and Productivity Board (RTPWB) has approved a Php35 minimum wage hike for the National Capital Region, effective July 17, 2024.** The new minimum daily wage will be Php645 for non-agricultural workers and Php608 for those in agriculture and small service/retail establishments.

**Globe Telecom, Inc. (PSEi Ticker: GLO) raised Php4.06 billion through its tower sales to Miescor Infrastructure Development Corp. (MIDC) and Frontier Tower Associates Philippines, Inc.** The transaction included the sale of 140 towers to MIDC, a subsidiary of Manila Electric Company (PSEi Ticker: MER).

**Local equities** edged lower as investors positioned ahead of key economic data releases this week, including the local headline inflation print and the US Producer Price Index (PPI) report. The PSEi closed at 6,398.77 (-0.20% DoD).

**Local fixed income yields** fell as investors digested the cooling US Personal Consumption Expenditures (PCE) inflation in May. This was also ahead of the release of the local inflation data for June. On average, yields fell by 0.71 bps, with the 2Y closing at 6.26% (-0.13 bps) and the 10Y closing at 6.65% (-0.74 bps).

The **Philippine peso** slightly weakened ahead of the release of the June local inflation print. The USD/PHP pair closed at 58.65 (+0.07% DoD).

**US Institute for Supply Management (ISM) manufacturing purchasing managers' index (PMI) fell to 48.5 in June (May: 48.7; consensus: 49.1), contracting for a third straight month amid weak demand.** The survey's forward-looking measure of new orders rose to 49.3 in June (May: 45.4), above the 49.0 consensus but still indicating contraction.

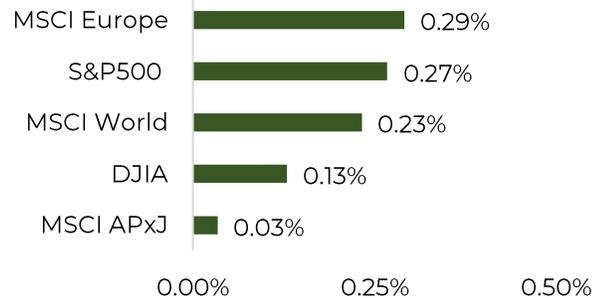
**HCOB final Eurozone Manufacturing PMI dropped to 45.8 in June (May: 47.3).** This remained in contractionary territory for two years. The decline was attributed to tepid demand despite factories cutting their prices.

**US equities** inched up as megacap stocks rose, led by Apple and Tesla. Investors also digested the softer-than-expected US manufacturing PMI, which strengthened hopes of a policy rate cut. The S&P 500 closed at 5,475.09 (+0.27% DoD) and the DJIA closed at 39,169.52 (+0.13% DoD).

**US Treasury yields** ended higher ahead of key labor market data releases later this week. On average, yields rose by 4.02 bps, with the 2Y closing at 4.76% (+0.40 bps) and the 10Y closing at 4.46% (+6.50 bps).

The **US dollar** closed flattish as investors weighed the sustained rise in US Treasury yields and weak US manufacturing PMI. The DXY closed at 105.90 (+0.03% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,475.09	+0.27%
DJIA	39,169.52	+0.13%
3-mo US Treasury yield	5.37%	+0.50 bps
2-yr US Treasury yield	4.76%	+0.40 bps
10-yr US Treasury yield	4.46%	+6.50 bps
DXY	105.90	+0.03%

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