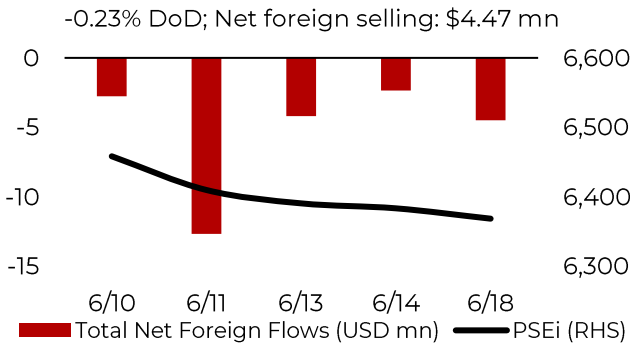


The Morning View

June 19, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,368.80	-0.23%
3-mo bond yield	5.64%	-2.31 bps
2-yr bond yield	6.28%	-0.84 bps
10-yr bond yield	6.71%	+1.22 bps
USDPHP	58.62	-0.05%
Oil (Brent, \$ / barrel)	85.33	+1.28%

The Department of Agriculture (DA) projects a national rice inventory level of 3.64 million metric tons (MMT) by year-end. This is equivalent to nearly 95 days' demand. As of May 2024, the Philippine Statistics Authority (PSA) reported a rice inventory of 2.08 MMT.

Ayala Land, Inc. (PSEi Ticker: ALI) buys out 50% stake of Aboitiz Equity Ventures, Inc. (PSEi Ticker: AEV) in Cebu District Property Enterprise, Inc. (CDPEI). CDPEI is a joint venture company of ALI, AEV, and AboitizLand engaged in developing the 17.5-hectare mixed-used real estate development in Cebu.

Local equities continued to decline amid ongoing concerns that the Bangko Sentral ng Pilipinas (BSP) will implement fewer rate cuts this year. Investors also looked ahead of the release of the May US retail sales report. The PSEi closed at 6,368.80 (-0.23% DoD).

Local fixed income yields were mixed ahead of key US retail sales data. On average, yields fell by 0.49 bps, with the 2Y closing at 6.28% (-0.84 bps) and the 10Y closing at 6.71% (+1.22 bps).

The **Philippine peso** slightly strengthened as investors digested the country's OFW cash remittances data which rose by 3.1% YoY in April. Investors also awaited the retail sales data in the US released overnight. The USD/PHP pair closed at 58.62 (-0.05% DoD).

US retail sales inched up by 0.1% MoM in May (April: revised - 0.2%), below the market's expectation of a 0.3% MoM rise. Higher sales by motor vehicle & parts dealers were partially offset by lower receipts at gasoline stations due to lower gasoline prices.

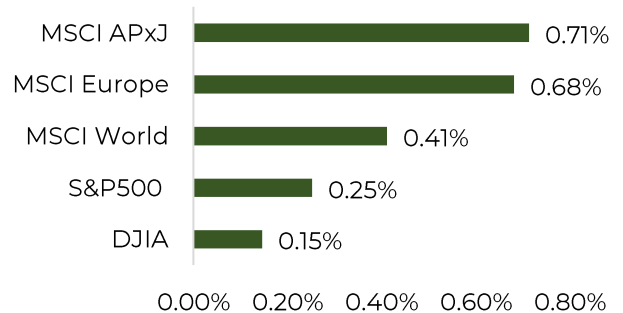
US manufacturing production rebounded by 0.9% MoM in May (April: revised -0.4%), exceeding the market's expectation of a 0.3% rise. The more-than-anticipated increase was on the back of improved output of motor vehicle and parts and durable goods.

US equities rose on extended tech rally after Nvidia topped Microsoft as the company with the highest market capitalization. Gains were also lifted by the lower-than-expected retail sales report, which boosted hopes of a rate cut. The S&P 500 closed at a fresh high of 5,487.03 (+0.25% DoD) and the DJIA closed at 38,834.86 (+0.15% DoD).

US Treasury yields were mixed as investors weighed cautious Fed commentary and the weaker-than-expected retail sales data. On average, yields rose by 2.03 bps, with the 2Y closing at 4.75% (-1.40 bps) and the 10Y closing at 4.32% (+3.50 bps).

The **US dollar** slightly weakened as traders digested the weaker-than-expected US retail sales data. The DXY closed at 105.26 (-0.06% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,487.03	+0.25%
DJIA	38,834.86	+0.15%
3-mo US Treasury yield	5.40%	+0.70 bps
2-yr US Treasury yield	4.75%	-1.40 bps
10-yr US Treasury yield	4.32%	+3.50 bps
DXY	105.26	-0.06%

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