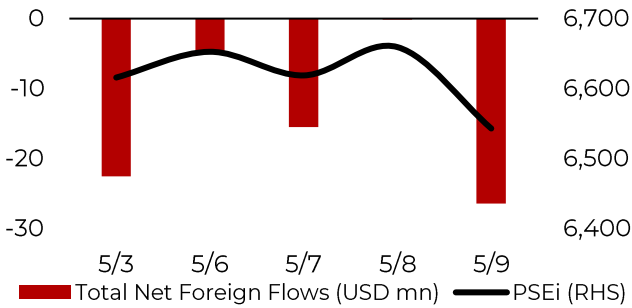


# The Morning View

May 10, 2024

## Philippine Stock Exchange Index

-1.75% DoD; Net foreign selling: \$26.51mn



	Level	DoD
PSEi	6,542.46	-1.75%
3-mo bond yield	5.79%	+1.86 bps
2-yr bond yield	6.43%	-2.80 bps
10-yr bond yield	6.85%	+1.05 bps
USDPHP	57.38	-0.01%
Oil (Brent, \$ / barrel)	83.88	+0.36%

The **Philippine Statistics Authority** reported that gross domestic product (GDP) grew by 5.7%, below consensus expectations of 5.9%. Nonetheless, the 1Q24 print is higher than the 5.5% growth in 4Q23. The GDP print showed a slowdown in consumption and investments, as well as a recovery in exports.

**PLDT Inc. (Ticker: TEL) reported an attributable net income of Php9.8 billion in 1Q24 (+9% YoY)** as total revenues grew to Php54.2 billion (+4% YoY). Performance was lifted by a 5% YoY increase in net service revenues, which represents 96% of TEL's revenues.

**Local equities** dropped after the local GDP growth print for 1Q24 came in lower than expected. The PSEi closed at 6,542.46 (-1.75% DoD).

**Local fixed income yields** fell as investors weighed the lower-than-expected PH GDP print. This was also following the higher-than-expected US jobless claims data which reignited Fed rate cut expectations later this year. On average, yields fell by 0.11 bps, with the 2Y closing at 6.43% (-2.80 bps) and the 10Y closing at 6.85% (+1.05 bps).

The **Philippine peso** was flat following the 1Q24 PH GDP data release. The USD/PHP pair closed at 57.38 (-0.01% DoD).

## The Bank of England (BoE) held its policy rate steady at 5.25%.

BoE Governor Andrew Bailey said that they expect inflation to be close to their 2% target in the coming months. He added that the BoE is likely to start cutting policy rates over the coming quarters.

## China's exports and imports rebounded in April and grew by 1.5% and 8.4% YoY, respectively (March: -7.5% and -1.9%).

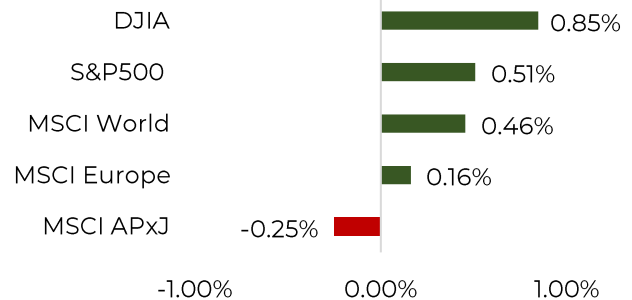
This suggests demand recovery locally and abroad after the government introduced policy support measures aimed to boost consumer and investor confidence.

**US equities** rose as the higher-than-anticipated US weekly jobless claims of 231,000 for the week ending May 4 supported hopes of a potential Fed rate cut later this year. The S&P 500 closed at 5,214.08 (+0.51% DoD) and the DJIA closed at 39,387.76 (+0.85% DoD).

**US Treasury yields** fell after the higher-than-expected US weekly jobless claims buoyed hopes for potential Fed rate cuts later this year. Investors also weighed the 30-year US Treasury bond auction which amounted to \$25 billion. On average, yields fell by 2.35 bps, with the 2Y closing at 4.82% (-2.10 bps) and the 10Y closing at 4.46% (-4.10 bps).

The **US dollar** weakened as US initial jobless claims surprised to the upside. The DXY closed at 105.23 (-0.30% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,214.08	+0.51%
DJIA	39,387.76	+0.85%
3-mo US Treasury yield	5.41%	-1.40 bps
2-yr US Treasury yield	4.82%	-2.10 bps
10-yr US Treasury yield	4.46%	-4.10 bps
DXY	105.23	-0.30%

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