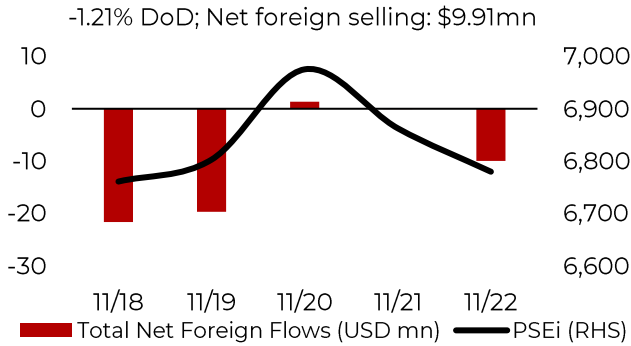


# The Morning View

November 25, 2024

## Philippine Stock Exchange Index



	Level	DoD
PSEi	6,780.13	-1.21%
3-mo bond yield	5.53%	-2.38 bps
2-yr bond yield	5.89%	+3.69 bps
10-yr bond yield	6.02%	-0.29 bps
USDPHP	58.87	-0.22%
Oil (Brent, \$ / barrel)	75.17	+1.27%

**The National Government's infrastructure spending jumped by 16.9% YoY to Php137.1 billion in September, the Department of Budget and Management reported.** The increase was on the back of higher disbursements and capital outlays for transport and defense modernization projects.

**Maynilad earmarked Php30 billion for its Rizal water treatment plant.** The 300-million liters per day water treatment plant will help accommodate the additional supply from Kaliwa dam once completed.

**Local equities** declined as concerns over the weakening peso and rising tensions between Russia and Ukraine dampened investors' sentiment. The PSEi closed at 6,780.13 (-1.21% DoD).

**Local fixed income yields** closed mixed amid escalating tensions between Russia and Ukraine. Investors also awaited cues from the US Federal Reserve on the policy path. On average, yields rose by 0.27 bps, with the 2Y closing at 5.89% (+3.69 bps) and the 10Y closing at 6.02% (-0.29 bps).

The **Philippine peso** slightly strengthened ahead of the release of the Fed's minutes of the meeting. Investors also weighed Bangko Sentral ng Pilipinas Governor Remolona's comment that the Monetary Board could either cut or keep rates steady in December. The USD/PHP pair closed at 58.87 (-0.22% DoD).

**A US Federal Reserve survey showed that inflation faded as a risk next to rising US debt and trade wars.** Concerns over fiscal debt sustainability in the US was highlighted as one of the top risks, as it may crowd out private investment or constrain policy responses in an economic downturn.

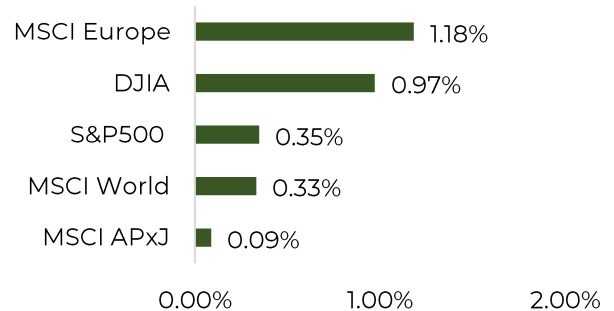
**S&P Global US Composite Purchasing Managers' Index (PMI) climbed to 55.3 in November (October: 54.1, consensus: 54.3), driven by stronger performance in the services sector.** This was the highest reading since April 2022 and could signal accelerating 4Q24 growth, potentially tempering rate cut expectations.

**US equities** rose amid improved market sentiment after the upbeat US business activity data in November reinforced the strength of the US economy. The S&P 500 closed at 5,969.34 (+0.35% DoD) and the DJIA closed at 44,296.51 (+0.97% DoD).

**US Treasury yields** closed mixed as investors continued to reassess their rate cut expectations following the higher-than-expected S&P composite PMI and lower-than-expected consumer sentiment in November. On average, yields fell by 0.33 bps, with the 2Y closing at 4.38% (+2.80 bps) and the 10Y closing at 4.40% (-2.20 bps).

The **US dollar** strengthened after the stronger US S&P Composite PMI in November reinforced the US economy's resilience. The DXY closed at 107.55 (+0.54% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,969.34	+0.35%
DJIA	44,296.51	+0.97%
3-mo US Treasury yield	4.55%	+0.10 bps
2-yr US Treasury yield	4.38%	+2.80 bps
10-yr US Treasury yield	4.40%	-2.20 bps
DXY	107.55	+0.54%

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