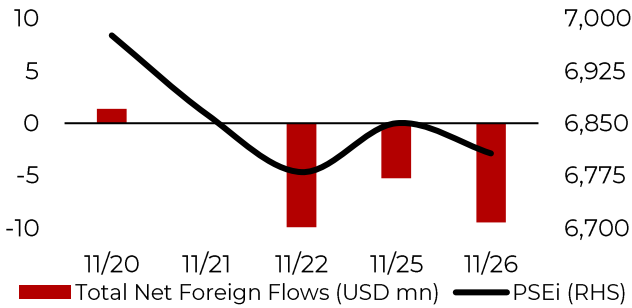


The Morning View

November 27, 2024

Philippine Stock Exchange Index

-0.63% DoD; Net foreign selling: \$9.44mn



	Level	DoD
PSEi	6,806.86	-0.63%
3-mo bond yield	5.60%	+3.25 bps
2-yr bond yield	5.91%	-0.07 bps
10-yr bond yield	6.03%	+0.41 bps
USDPHP	59.00	+0.02%
Oil (Brent, \$ / barrel)	72.81	-0.27%

S&P Global Ratings has upgraded the Philippines' credit rating outlook from 'Stable' to 'Positive,' citing the country's improved institutional and policy settings as well as strong economic recovery. The positive outlook increases the possibility of an upgrade from the current "BBB+" long-term investment grade rating over the next 12 to 24 months.

Manila Electric Co.'s (PSE Ticker: MER) Meralco PowerGen Corp. (MGen) has allotted \$900 million to bid for the construction of a 600-megawatt power plant in Singapore. This would be done through Pacific Light, MGen's joint venture, which aims to raise its competitiveness in the Singaporean energy market.

Local equities fell as the continued weakness of the peso dampened market sentiment. This was also ahead of the US October Personal Consumption Expenditures (PCE) inflation data release. The PSEi closed at 6,806.86 (-0.63% DoD).

Local fixed income yields were mixed as investors digested the latest Fed minutes. This was also ahead of the US PCE inflation data release. On average, yields rose by 0.56 bps, with the 2Y closing at 5.91% (-0.07 bps) and the 10Y closing at 6.03% (+0.41 bps).

The **Philippine Peso** weakened amid a stronger dollar after Trump hinted at conditional import tariffs on Canada and Mexico. The USD/PHP pair closed at 59.00 (+0.02% DoD).

US Conference Board Consumer Confidence Index surged to 111.7 in November (October: 109.6), marking a 16-month high.

This was mainly buoyed by the optimism over the labor market as well as expectations of lower inflation and higher stock prices in the upcoming year.

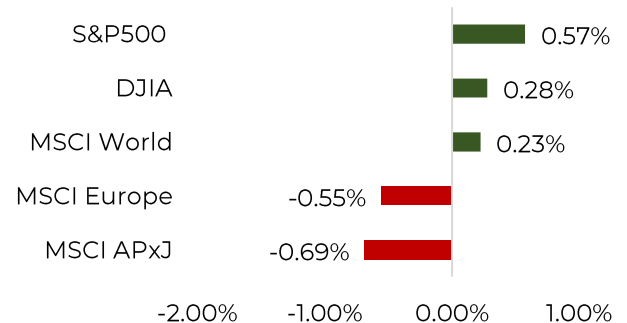
The US Federal Reserve's November meeting minutes indicate potential for additional rate cuts, though at a gradual pace. Officials expressed confidence in continued easing of inflation and highlighted the sustained strength of the labor market.

US equities climbed as investors assessed the stronger US Consumer Confidence data, as well as the US Fed's November minutes of the meeting which showed that further rate cuts are still on the table. The S&P 500 closed at 6,021.63 (+0.57% DoD) and the DJIA closed at 44,860.31 (+0.28% DoD).

US Treasury yields closed mixed as investors weighed the US Fed's November meeting minutes, which signaled further rate cuts but at a more gradual pace. On average, yields rose by 0.83 bps, with the 2Y closing at 4.26% (-1.70 bps) and the 10Y closing at 4.31% (+3.10 bps).

The **US dollar** strengthened on the back of the upbeat US Consumer Confidence data in November. The DXY closed at 107.01 (+0.18% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,021.63	+0.57%
DJIA	44,860.31	+0.28%
3-mo US Treasury yield	4.50%	-3.20 bps
2-yr US Treasury yield	4.26%	-1.70 bps
10-yr US Treasury yield	4.31%	+3.10 bps
DXY	107.01	+0.18%

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