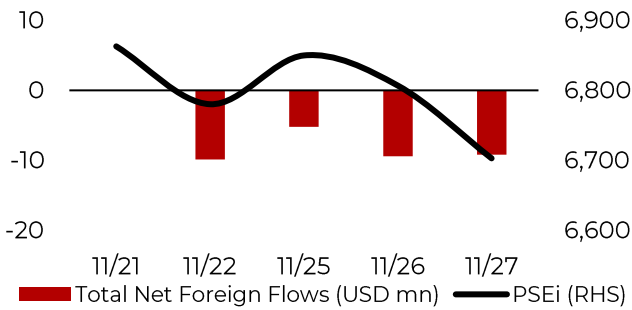


The Morning View

November 28, 2024

Philippine Stock Exchange Index

-1.53% DoD; Net foreign selling: \$9.18mn



	Level	DoD
PSEi	6,702.59	-1.53%
3-mo bond yield	5.60%	-0.30 bps
2-yr bond yield	5.91%	+0.60 bps
10-yr bond yield	6.04%	+1.14 bps
USDPHP	58.71	-0.49%
Oil (Brent, \$ / barrel)	72.96	+0.21%

The Bureau of the Treasury reported that the National Government posted a budget surplus of Php6.3 billion in October (September: Php273.2 billion deficit). The turnaround was driven by higher collections of taxes and customs fees, as well as lower interest payments.

ACEN Corp's (PSE Ticker: ACEN) affiliate, ACEN Vietnam Investment Pte. Ltd., acquired a 49% stake in BIM Energy Holding Corp. This \$70.5-million acquisition will allow ACEN to boost its pipeline projects in Vietnam.

Local equities declined as investors' sentiment was weighed by concerns over Trump's recent tariff threats targeting Canada, China, and Mexico. The PSEi closed at 6,702.59 (-1.53% DoD).

Local fixed income yields rose ahead of the release of the US personal consumption expenditure (PCE) inflation report. On average, yields rose by 0.49 bps, with the 2Y closing at 5.91% (+0.60 bps) and the 10Y closing at 6.04% (+1.14 bps).

The Philippine Peso strengthened amid profit-taking and as investors awaited the release of key US economic data including PCE, gross domestic product, and initial jobless claims. The USD/PHP pair closed at 58.71 (-0.49% DoD).

US personal consumption expenditures (PCE) price index, the Fed's preferred gauge of inflation, rose by 2.3% YoY in October (Sept: 2.1% YoY). This level remains above the Fed's 2% target but came in line with the market's expectations. The increase was driven by higher housing and utilities costs.

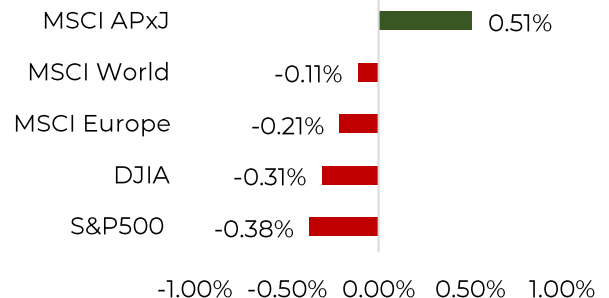
US GDP grew by an unrevised 2.8% YoY in 3Q24, in line with expectations. The growth was driven primarily by stronger consumer spending and a surge in exports, highlighting the continued resilience of the US economy.

US equities ended lower amid profit-taking of big tech names, Dell and HP, following weak earnings forecasts. Mexico's threat of retaliatory tariffs if Trump imposes a 25% tariff on its imports also dampened sentiment. The S&P 500 closed at 5,998.74 (-0.38% DoD) and the DJIA closed at 44,722.06 (-0.31% DoD).

US Treasury yields fell after US core PCE, the Fed's preferred inflation gauge, accelerated but came in line with market expectations at 2.8% in October. On average, yields fell by 3.07 bps, with the 2Y closing at 4.23% (-2.70 bps) and the 10Y closing at 4.27% (-4.30 bps).

The US dollar weakened after the October US core PCE reading came in line with the market's expectations. The DXY closed at 106.04 (-0.91% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,998.74	-0.38%
DJIA	44,722.06	-0.31%
3-mo US Treasury yield	4.51%	+0.90 bps
2-yr US Treasury yield	4.23%	-2.70 bps
10-yr US Treasury yield	4.27%	-4.30 bps
DXY	106.04	-0.91%

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