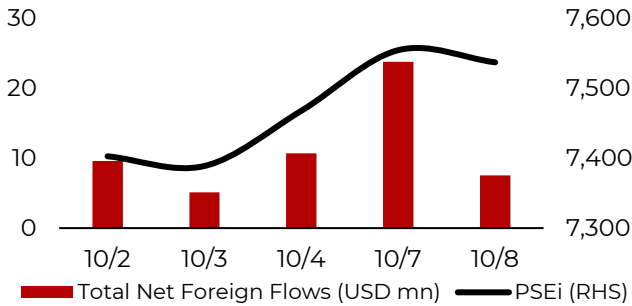


# The Morning View

October 9, 2024

## Philippine Stock Exchange Index

-0.23% DoD; Net foreign buying: \$7.53mn



	Level	DoD
PSEi	7,537.25	-0.23%
3-mo bond yield	5.14%	-12.42 bps
2-yr bond yield	5.58%	+2.28 bps
10-yr bond yield	5.78%	-12.09 bps
USDPHP	56.91	+0.14%
Oil (Brent, \$ / barrel)	77.18	-4.63%

**The Philippine Statistics Authority (PSA) reported that the local unemployment rate dropped to 4.0% in August from 4.7% in July.** This translated to 2.07 million unemployed Filipinos, down by 305,000 from July. The improvement in employment was due to the participation of more females in the services sector.

**Manila Electric Co. (PSE Ticker: MER) expects lower generation charge for October.** MER Vice President and Head of Corporate Communications Zaldarriaga added that it would primarily be driven by the decline in wholesale electricity spot market (WESM) charges and the end of the collection of the deferred May 2024 WESM costs last month.

**Local equities** fell as investors took profits after a two-day rally. Ongoing Middle East tensions also dampened investor sentiment. The PSEi closed at 7,537.25 (-0.23% DoD).

**Local fixed income yields** were mixed but declined on average as investors continued to monitor the Middle East conflict. This was also ahead of the US Consumer Price Index (CPI) inflation data release for September. On average, yields fell by 6.42 bps, with the 2Y closing at 5.58% (+2.28 bps) and the 10Y closing at 5.78% (-12.09 bps).

The **Philippine peso** weakened amid rising geopolitical tensions in the Middle East. The USD/PHP pair closed at 56.91 (+0.14% DoD).

**US trade deficit narrowed to \$70.4 billion in August (July revised: \$78.9 billion) as exports surged to record highs.** The surge in exports was primarily driven by an increase in capital goods, consumer goods, and industrial supplies and materials. Meanwhile, imports declined due to the decrease in industrial supplies and materials, and nonmonetary gold.

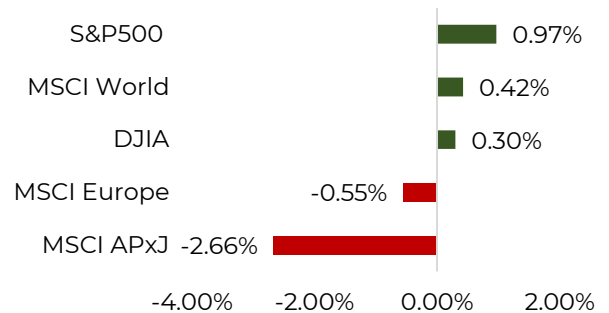
**US Federal Reserve Governor Adriana Kugler said that she will support further policy easing if inflation continues to moderate as expected.** She also noted that the labor market is cooling yet still resilient, and that a balanced approach would be appropriate given lingering risks to both inflation and employment.

**US equities** rebounded as oil prices eased. Large-cap tech stocks rose, with Nvidia (NVDA) leading the rally on optimism about the company's next-generation products. The S&P 500 closed at 5,751.13 (+0.97% DoD) and the DJIA closed at 42,080.37 (+0.30% DoD).

**US Treasury yields** dropped following dovish comments of Fed Governor Kugler, who supported the 50-bp Fed policy rate cut in September. On average, yields fell by 2.01 bps, with the 2Y closing at 3.96% (-3.70 bps) and the 10Y closing at 4.01% (-1.40 bps).

The **US dollar** ended flat ahead of the release of the Fed's September minutes and key US inflation data this week. The DXY closed at 102.48 (-0.06% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,751.13	+0.97%
DJIA	42,080.37	+0.30%
3-mo US Treasury yield	4.64%	-1.40 bps
2-yr US Treasury yield	3.96%	-3.70 bps
10-yr US Treasury yield	4.01%	-1.40 bps
DXY	102.48	-0.06%

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