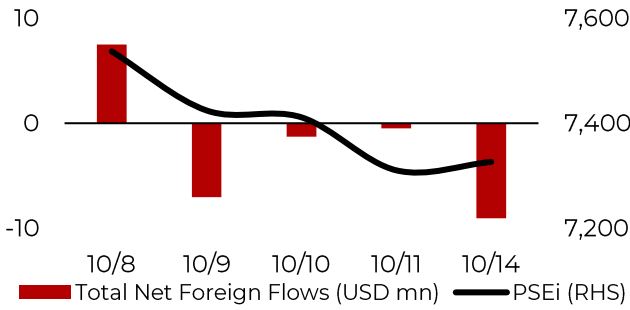


The Morning View

October 15, 2024

Philippine Stock Exchange Index

+0.22% DoD; Net foreign selling: \$9.05mn



	Level	DoD
PSEi	7,326.41	+0.22%
3-mo bond yield	5.09%	+4.41 bps
2-yr bond yield	5.56%	-0.27 bps
10-yr bond yield	5.75%	+1.36 bps
USDPHP	57.47	+0.46%
Oil (Brent, \$ / barrel)	77.46	-2.00%

Analysts say that the Philippine gross domestic product (GDP) growth will likely settle below the 6-7% target range this year.

Capital Economics forecasts Philippine economic growth to average by 5.1% in 2024, while Nomura Global Markets expects GDP growth to average by 5.6% in 2024.

Manila Electric Co. (PSE Ticker: MER) partners with Samsung C&T Corporation for the adoption of nuclear energy in the Philippines.

The new partnership will focus on the technical design, capabilities, necessary infrastructure, and regulatory framework for nuclear energy.

Local equities rose amid bargain hunting. Expectations that the Bangko Sentral ng Pilipinas (BSP) will cut rates this week also boosted market sentiment. The PSEi closed at 7,326.41 (+0.22% DoD).

Local fixed income yields rose as investors weighed the above-consensus US producer price index (PPI) inflation print. Investors also positioned ahead of the BSP's policy meeting tomorrow. On average, yields rose by 3.83 bps, with the 2Y closing at 5.56% (-0.27 bps) and the 10Y closing at 5.75% (+1.36 bps).

The **Philippine peso** weakened to an over three-month low after the higher-than-expected US PPI inflation eased sizable Fed rate cut expectations. The USD/PHP pair closed at 57.47 (+0.46% DoD).

China's exports grew by 2.4% YoY in September (Aug: 8.7%), its slowest pace since April 2024.

This was lower than consensus expectations of 6.0%. Meanwhile, imports also rose by 0.3% YoY (Aug: 0.5%), slower than the expected 0.8%, which hinted at a weak domestic demand in China.

The Organization of the Petroleum Exporting Countries (OPEC) cut its global oil demand growth forecasts for the third time this year.

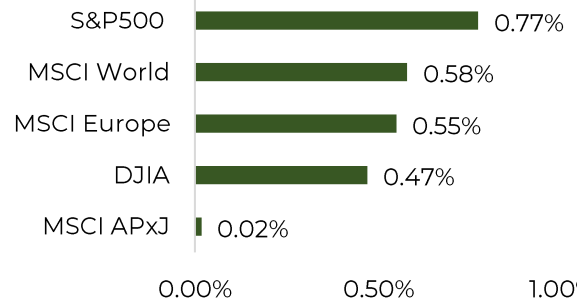
For 2024, OPEC sees oil demand to rise by 1.93 million barrels per day (previous: 2.03 million) as slowing economic activity in China could dampen oil demand.

US equities climbed to record highs amid strong third-quarter earnings from major banks and gains in technology stocks. Nvidia surged 2.4% to a record close. The S&P 500 closed at 5,859.85 (+0.77% DoD) and the DJIA closed at 43,065.22 (+0.47% DoD).

US Treasury yields were unchanged as the bond markets were closed in observance of the Columbus Day holiday. The 2Y closed at 3.96% (0.00 bp) and the 10Y closed at 4.10% (0.00 bp).

The **US dollar** strengthened to a 10-week high as traders weighed cautious remarks from Fed Governor Waller and Minneapolis Fed President Kashkari signaling modest Fed rate cuts moving forward. The DXY closed at 103.30 (+0.40% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,859.85	+0.77%
DJIA	43,065.22	+0.47%
3-mo US Treasury yield	4.64%	0.00 bps
2-yr US Treasury yield	3.96%	0.00 bps
10-yr US Treasury yield	4.10%	0.00 bps
DXY	103.30	+0.40%

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