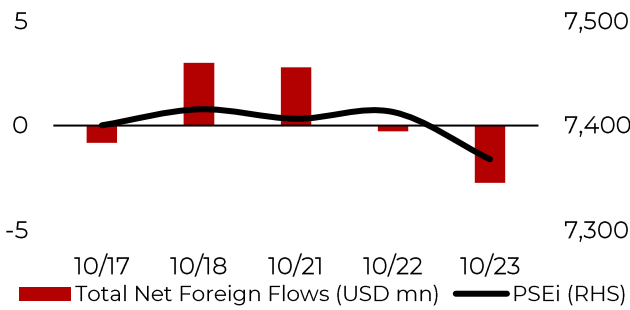


The Morning View

October 24, 2024

Philippine Stock Exchange Index

-0.61% DoD; Net foreign selling: \$2.74mn



	Level	DoD
PSEi	7,367.66	-0.61%
3-mo bond yield	5.33%	+1.52 bps
2-yr bond yield	5.56%	+2.54 bps
10-yr bond yield	5.90%	+6.50 bps
USDPHP	57.88	0.00%
Oil (Brent, \$ / barrel)	74.96	-1.42%

Finance Secretary Ralph G. Recto said that a potential Donald Trump presidency could weaken global trade due to increased protectionism. Secretary Recto said that there are concerns that there will be a setback on multilateralism, including trade, which is a driver for global growth.

PLDT Inc. (PSE Ticker: TEL) secured Php2.0-billion social loan from HSBC Philippines for the expansion of its fiber network. TEL additionally disclosed that the proceeds of the social loan will be for the expansion of fiber infrastructure to fourth- and sixth-class municipalities.

Local equities fell, tracking the performance of the US stock markets, as investors remained cautious amid a lack of fresh positive market catalysts. Value turnover also remained weak as various institutions were closed due to Tropical Storm Kristine. The PSEi closed at 7,367.66 (-0.61% DoD).

Local fixed income yields climbed, tracking the rise in US Treasury yields, amid cautious trading ahead of the US presidential election. On average, yields rose by 2.03 bps, with the 2Y closing at 5.56% (+2.54 bps) and the 10Y closing at 5.90% (+6.50 bps).

The **Philippine peso** was unchanged as currency trading was suspended due to Tropical Storm Kristine. The USD/PHP pair closed at 57.88 (0.00% DoD).

US existing home sales declined by 1.0% to 3.84 million units in September (Aug: 3.86 million), a 14-year low. The weaker-than-expected sales were attributed to higher mortgage rates and house prices.

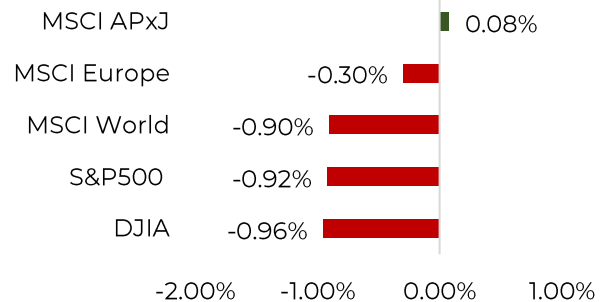
The US Fed's Beige Book reported flattish growth across most districts from September to early October. The report also showed that inflationary pressures moderated while hiring slightly increased, reinforcing expectations of smaller Fed rate cuts ahead.

US equities fell as rising Treasury yields and doubts over future Fed rate cuts dampened market sentiment. Investors were also cautious ahead of the US presidential election. The S&P 500 closed at 5,797.42 (-0.92% DoD) and the DJIA closed at 42,514.95 (-0.96% DoD).

US Treasury yields climbed as traders reassessed their outlook on future Fed rate cuts amid the upcoming US presidential election. Concerns over the rising US national debt also lifted yields higher. On average, yields rose by 2.87 bps, with the 2Y closing at 4.08% (+4.70 bps) and the 10Y closing at 4.25% (+3.80 bps).

The **US Dollar** strengthened following signals of stable US business activity from the latest Fed Beige book, reinforcing bets of a smaller 25-bp cut in November. US presidential election jitters also pushed the greenback higher. The DXY closed at 104.43 (+0.34% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,797.42	-0.92%
DJIA	42,514.95	-0.96%
3-mo US Treasury yield	4.65%	+0.50 bps
2-yr US Treasury yield	4.08%	+4.70 bps
10-yr US Treasury yield	4.25%	+3.80 bps
DXY	104.43	+0.34%

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