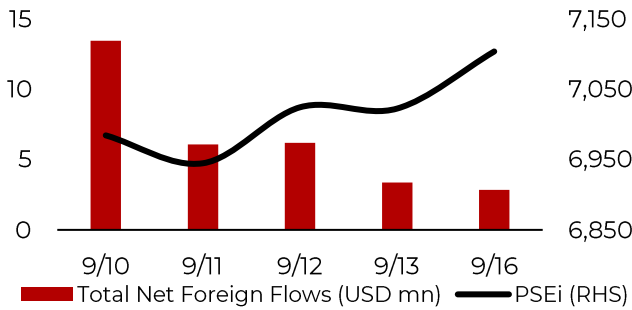


# The Morning View

September 17, 2024

## Philippine Stock Exchange Index

+1.16% DoD; Net foreign buying: \$2.84mn



	Level	DoD
PSEi	7,104.20	+1.16%
3-mo bond yield	5.85%	-1.14 bps
2-yr bond yield	5.99%	-1.51 bps
10-yr bond yield	6.06%	-2.91 bps
USDPHP	55.89	-0.19%
Oil (Brent, \$ / barrel)	72.75	+1.59%

**The Bangko Sentral ng Pilipinas (BSP) reported that cash remittances from Overseas Filipino Workers (OFWs) reached a seven-month high of \$3.09 billion in July, up by 3.11% YoY.** This brought total OFW cash remittances for 7M24 to \$19.33 billion (+2.91% YoY), mainly from the United States (41.14% of total), Singapore (6.94%), and Saudi Arabia (6.03%).

**Metropolitan Waterworks and Sewerage System approves Manila Water Co.'s (PSE Ticker: MWC) and Maynilad Water Services' 4Q tariff adjustments.** The tariff adjustments will take effect on October 1, 2024, and will account for foreign exchange gains or losses.

**Local equities** rallied on investors' optimism over expectations that the US Fed will cut rates this week. Market sentiment was also lifted by the World Bank's Philippine economic growth forecast of 5.8% for 2024. The PSEi closed at 7,104.20 (+1.16% DoD).

**Local fixed income yields** continued to fall amid rate cut expectations from the Federal Reserve. On average, yields fell by 1.52 bps, with the 2Y closing at 5.99% (-1.51 bps) and the 10Y closing at 6.06% (-2.91 bps).

The **Philippine peso** strengthened ahead of the US Fed's policy rate decision. Investors also digested the stronger OFW remittances data. The USD/PHP pair closed at 55.89 (-0.19% DoD).

**Governing Council Member Peter Kazmir said the European Central Bank (ECB) should wait until December before the next rate cut.** Kazaks added that a "significant" shift is needed for the ECB to cut interest rates in October.

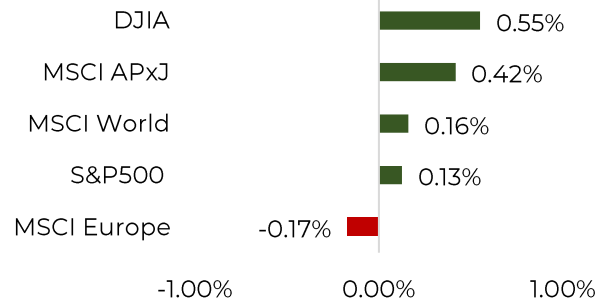
**White House National Economic Council Director Lael Brainard said that inflation appears to be trending in the right direction.** She also added that focus should now shift toward safeguarding the labor market and supporting economic growth.

**US equities** rose on the back of expectations that the US Fed will begin cutting policy rates. Telecom, oil and gas, and financial stocks led gains, while tech, consumer services, and consumer goods stocks declined. This was The S&P 500 closed at 5,633.09 (+0.13% DoD) and the DJIA closed at 41,622.08 (+0.55% DoD).

**US Treasury yields** dropped amid expectations of a rate cut from the US Fed. This was ahead of the Fed's two-day policy meeting later this week. On average, yields fell by 4.29 bps, with the 2Y closing at 3.55% (-3.10 bps) and the 10Y closing at 3.62% (-3.60 bps).

The **US dollar** weakened as traders weighed the increasingly dovish expectations of the market for the Fed policy meeting later this week. The DXY closed at 100.76 (-0.35% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,633.09	+0.13%
DJIA	41,622.08	+0.55%
3-mo US Treasury yield	4.88%	-1.40 bps
2-yr US Treasury yield	3.55%	-3.10 bps
10-yr US Treasury yield	3.62%	-3.60 bps
DXY	100.76	-0.35%