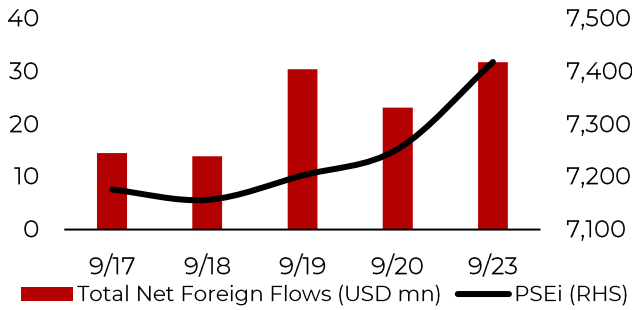


# The Morning View

September 24, 2024

## Philippine Stock Exchange Index

+2.27% DoD; Net foreign buying: \$31.68mn



	Level	DoD
PSEi	7,417.25	+2.27%
3-mo bond yield	5.38%	-35.77 bps
2-yr bond yield	5.60%	-6.90 bps
10-yr bond yield	5.69%	+4.09 bps
USDPHP	55.97	+0.50%
Oil (Brent, \$ / barrel)	73.90	-0.79%

**The Philippine Ports Authority (PPA) reported that hundreds of rice containers remain unclaimed at the Manila International Container Terminal.** PPA General Manager Jay Santiago said importers may be postponing retrieval to save on storage costs. However, this slow release also stalls the decline in rice prices.

**Court of Appeals (CA) rules in favor of Manila Electric Co. (PSE Ticker: MER) over its power supply agreements (PSA) with Atlanta Industries, Inc.** The disagreement stemmed from unpaid fuel cost recovery adjustments in the PSA between MER and Atlanta. The CA ruled that the Energy Regulatory Commission has no jurisdiction to hear the dispute between MER and Atlanta due to an arbitration clause in its PSA.

**Local equities** extended its rally as investors continued to cheer the significant reduction in the local bank's reserve requirement ratio. The PSEi closed at 7,417.25 (+2.27% DoD).

**Local fixed income yields** were mixed but declined on average ahead of key US inflation data release. On average, yields fell by 6.75 bps, with the 2Y closing at 5.60% (-6.90 bps) and the 10Y closing at 5.69% (+4.09 bps).

**The Philippine peso** weakened as traders remained cautious amid ongoing geopolitical concerns in the Middle East. The USD/PHP pair closed at 55.97 (+0.50% DoD).

**US S&P Global Composite Purchasing Managers' Index (PMI) Output index remained steady at 54.4 in September (August: 54.6).** While this indicates continued expansion, the survey also showed average prices rose at the fastest pace in six months.

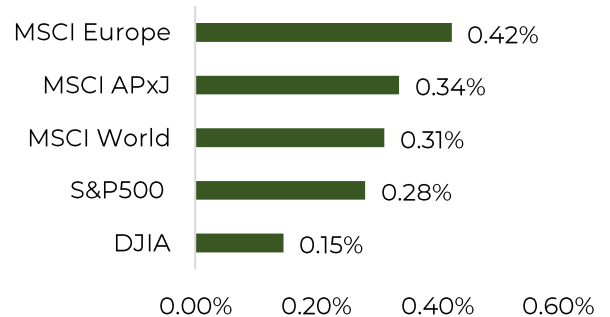
**Atlanta Fed President Raphael Bostic noted that inflation and the labor market are normalizing faster than he anticipated, so monetary policy should adjust as well.** Likewise, Minneapolis Fed President Kashkari and Chicago Fed President Goolsbee favored the 50-bp rate cut, citing shifting risks towards a weakening jobs market.

**US equities** slightly rose as investors continued to cheer the Fed's jumbo rate cut and digested dovish remarks from Minneapolis Fed President Kashkari, Atlanta Fed President Bostic, and Chicago Fed President Goolsbee. The S&P 500 closed at 5,718.57 (+0.28% DoD) and the DJIA closed at 42,124.65 (+0.15% DoD).

**US Treasury yields** ended mixed amid cautious sentiment ahead of the release of the personal consumption expenditures price index this week. On average, yields fell by 0.44 bps, with the 2Y closing at 3.59% (-0.40 bps) and the 10Y closing at 3.75% (+1.00 bps).

The **US dollar** strengthened as traders weighed remarks from several Fed officials supporting the recent 50-bp rate cut. The DXY closed at 100.85 (+0.13% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,718.57	+0.28%
DJIA	42,124.65	+0.15%
3-mo US Treasury yield	4.63%	-4.70 bps
2-yr US Treasury yield	3.59%	-0.40 bps
10-yr US Treasury yield	3.75%	+1.00 bps
DXY	100.85	+0.13%

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