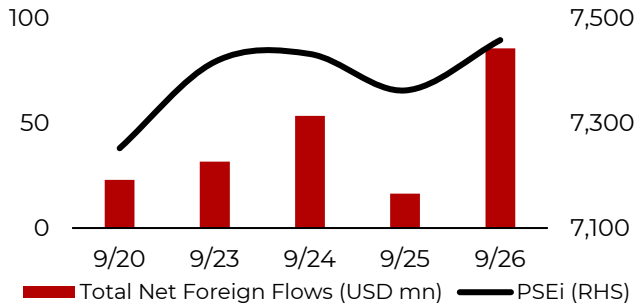


The Morning View

September 27, 2024

Philippine Stock Exchange Index

+1.31% DoD; Net foreign buying: \$85.74mn



The Philippine government plans to borrow Php310 billion from the domestic market in 4Q24 (-51% QoQ) amid expectations of further rate cuts. The Bureau of the Treasury will issue Php220 billion in T-bills across 91-, 182-, and 364-day tenors, and Php90 billion in T-bonds with maturities ranging from 5 to 20 years.

Manila Electric Co.'s (PSE Ticker: MER) unit, Meralco Industrial Engineering Services Corp., signed an agreement with Terra Solar Philippines, Inc. to link the Php200-bn Terra Solar project to Luzon Grid. The Terra Solar project will feature a 3.5-gigawatt (GW) solar plant and a 4.0-GW battery energy storage system.

Local equities rebounded as investors digested the remarks of Bangko Sentral ng Pilipinas (BSP) Governor Remolona, which hinted a potential 25-bp cut in each of the October and December policy meetings. The PSEi closed at 7,458.74 (+1.31% DoD).

Local fixed income yields fell following the dovish comments from BSP Governor Remolona. On average, yields fell by 0.72 bps, with the 2Y closing at 5.57% (-1.15 bps) and the 10Y closing at 5.77% (-1.33 bps).

The **Philippine peso** weakened as the market turned cautious ahead of the US August Personal Consumption Expenditures (PCE) inflation, durable goods, and weekly initial jobless claims reports. The USD/PHP pair closed at 55.97 (+0.15% DoD).

	Level	DoD
PSEi	7,458.74	+1.31%
3-mo bond yield	5.25%	-2.14 bps
2-yr bond yield	5.57%	-1.15 bps
10-yr bond yield	5.77%	-1.33 bps
USDPHP	55.97	+0.15%
Oil (Brent, \$ / barrel)	71.60	-2.53%

US weekly initial jobless claims fell by 4,000 to 218,000 (consensus: 223,000) for the week ending September 21. This lower-than-expected initial claims suggests a resilient labor market as layoffs have remained low despite fewer job openings.

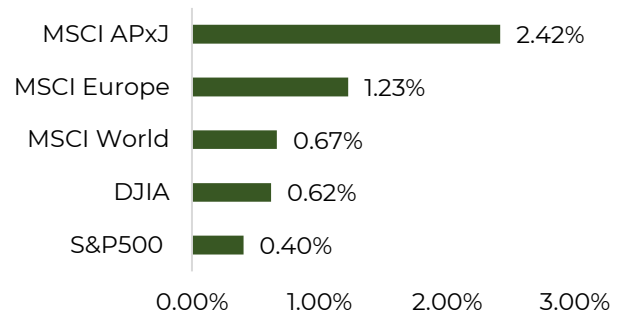
US Gross Domestic Product (GDP) growth in 2Q24 was unrevised at 3.0%. Meanwhile, the government revised the national accounts data from 1Q19 to 1Q24, with the print for the first quarter of 2024 revised higher to 1.6% from 1.4%.

US equities rose as investors cheered the upbeat US economic data, including the below-consensus weekly jobless claims report and the rebound in core durable goods orders to +0.2% MoM in August (July: -0.1% MoM). The S&P 500 closed at 5,745.37 (+0.40% DoD) and the DJIA closed at 42,175.11 (+0.62% DoD).

US Treasury yields rose on the back of the lower weekly jobless claims data, indicating a resilient labor market. On average, yields rose by 2.41 bps, with the 2Y closing at 3.63% (+7.00 bps) and the 10Y closing at 3.8% (+1.10 bps).

The **US dollar** weakened as traders remained cautious and positioned ahead of the August PCE inflation data release tonight. The DXY closed at 100.56 (-0.35% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,745.37	+0.40%
DJIA	42,175.11	+0.62%
3-mo US Treasury yield	4.62%	+0.20 bps
2-yr US Treasury yield	3.63%	+7.00 bps
10-yr US Treasury yield	3.80%	+1.10 bps
DXY	100.56	-0.35%

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