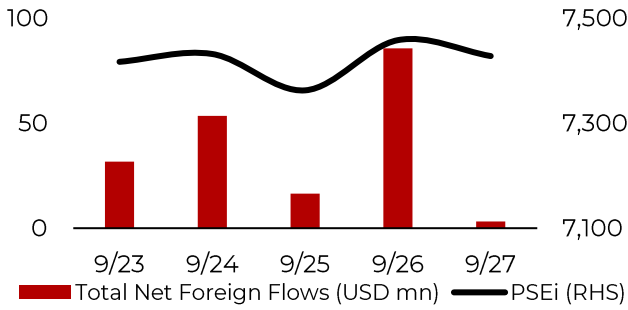


The Morning View

September 30, 2024

Philippine Stock Exchange Index

-0.41% DoD; Net foreign buying: \$3.14mn



	Level	DoD
PSEi	7,428.30	-0.41%
3-mo bond yield	5.26%	+0.75 bps
2-yr bond yield	5.52%	-4.76 bps
10-yr bond yield	5.74%	-3.33 bps
USDPHP	56.08	+0.20%
Oil (Brent, \$ / barrel)	71.98	+0.53%

Filipino consumers and businesses grew more optimistic for 4Q24, according to the Bangko Sentral ng Pilipinas' (BSP) latest surveys. Businesses anticipate higher holiday demand, lower interest rates, and easing inflation. Meanwhile, consumers expect higher income, more jobs, and additional family members entering the workforce.

Court of Tax Appeals rules in favor of DMCI Holdings, Inc.'s (PSE Ticker: DMC) Php103.68-million income tax deficiency case. The assessment covered the company's alleged deficiencies in income tax, value-added tax, and other tax categories for FY2014.

Local equities fell as investors took profits after the recent rally of the local index. The market also assessed the outlook on the economy after the latest consumer confidence survey of the BSP. The PSEi closed at 7,428.30 (-0.41% DoD).

Local fixed income yields fell ahead of the release of the September local inflation print this week. On average, yields fell by 2.70 bps, with the 2Y closing at 5.52% (-4.76 bps) and the 10Y closing at 5.74% (-3.33 bps).

The **Philippine peso** weakened as traders remained cautious ahead of the August US PCE inflation print which was released after markets' close. The USD/PHP pair closed at 56.08 (+0.20% DoD).

US Personal Consumption Expenditures (PCE) inflation accelerated by 2.2% YoY in August (July: 2.5%), falling slightly behind the 2.3% consensus estimate. Meanwhile, core PCE, which excludes volatile food and energy prices, climbed by 2.7%. This was up from 2.6% in July but in line with consensus expectations.

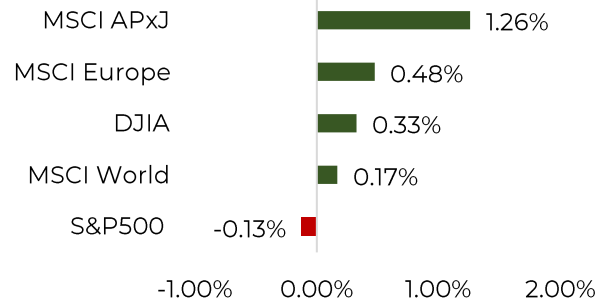
The European Central Bank's Consumer Expectations Survey showed that eurozone consumers reduced their inflation expectations over the next 12 months. Prices are seen rising by 2.7% over the next 12 months, the lowest level in three years. The gauge for three years also fell to 2.3%.

US equities closed mixed as investors weighed the slower-than-expected August PCE inflation data, which could influence the next policy decision of the US Federal Reserve. The S&P 500 closed at 5,738.17 (-0.13% DoD) and the DJIA closed at 42,213.00 (+0.33% DoD).

US Treasury yields fell following the below-consensus US headline PCE inflation data for August. On average, yields fell by 3.47 bps, with the 2Y closing at 3.56% (-7.00 bps) and the 10Y closing at 3.75% (-4.40 bps).

The **US dollar** weakened as traders digested the slower-than-expected PCE inflation data release for August. The DXY closed at 100.38 (-0.18% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,738.17	-0.13%
DJIA	42,213.00	+0.33%
3-mo US Treasury yield	4.62%	-0.40 bps
2-yr US Treasury yield	3.56%	-7.00 bps
10-yr US Treasury yield	3.75%	-4.40 bps
DXY	100.38	-0.18%

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