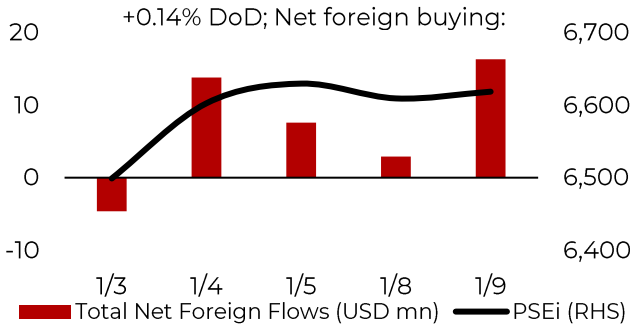


The Morning View

JANUARY 10, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,618.52	+0.14%
3-mo bond yield	5.26%	-3.53 bps
2-yr bond yield	5.91%	+0.40 bps
10-yr bond yield	6.15%	+1.20 bps
USDPHP	56.01	+0.57%
Oil (Brent, \$ / barrel)	77.59	+1.93%

Unemployment rate fell to 3.6% in November, a new 18-year low.

According to Philippine Statistics Authority (PSA) Undersecretary Mapa, the decline occurred throughout the 4th quarter primarily due to businesses hiring ahead of the holiday season.

BDO Unibank, Inc. (Ticker: BDO) seeks to raise Php5 billion from its second issuance of peso-denominated ASEAN Sustainability Bonds.

Net proceeds will be used to diversify funding sources, and finance or refinance certain eligible assets. The bonds will be offered from January 9 to 22 with a tenor of 1.5 years and coupon rate of 6.025% per annum.

Local equities slightly gained as the unemployment rate hit a multi-year low. The PSEi closed at 6,618.52 (+0.14% DoD)

Local fixed income yields were mixed as the market weighed the multi-year low unemployment rate and the fresh 5-year Treasury bond awarded by the Bureau of the Treasury (BTr). On average, yields fell by 0.16 bps, with the 2Y closing at 5.91% (+0.40 bps) and the 10Y closing at 6.15% (+1.20 bps).

The **Philippine peso** weakened, breaching the 56 level, amid easing remittances from the holiday season and Finance Secretary Diokno's remarks that the BSP might mirror the US Fed's rate cuts in 2024. The USD/PHP pair closed at 56.01 (+0.57% DoD).

US trade deficit contracted by 2.0% to \$63.2 billion in November as imports declined on the back of slowing demand.

Imports of consumer goods declined to its lowest levels since November 2022 as businesses are anticipating softening domestic demand this year.

US National Federation of Independent Business (NFIB) index rose to 91.9 in December (November: 90.6).

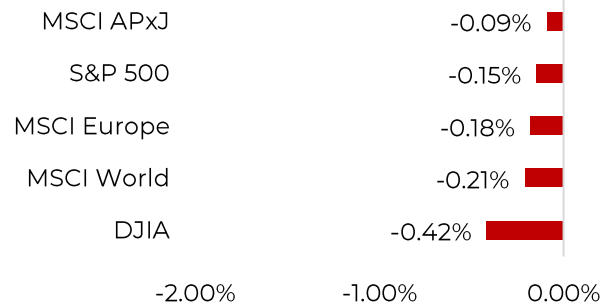
This was the first increase recorded since July. However, this remained below its 50-year average as lingering concerns on inflation continued to weigh down on business owners' confidence.

US equities declined on the back of cautious sentiment ahead of the December consumer price index (CPI) and producer price index (PPI) inflation reports. The S&P 500 closed at 4,756.50 (-0.15% DoD) and the DJIA closed at 37,525.16 (-0.42% DoD).

US Treasury yields were fell ahead of the US inflation data. Bargain hunting also pushed yields lower following four straight days of rising yields. On average, yields fell by 1.28 bps, with the 2Y closing at 4.37% (-1.3 bps) and the 10Y closing at 4.02% (-1.7 bps).

The **US Dollar** strengthened ahead of the release of key inflation reports in the US. Investors also digested the narrower US trade deficit data for November. The DXY closed at 102.57 (+0.35% DoD).

Global Stock Indices



	Level	DoD
S&P 500	4,756.50	-0.15%
DJIA	37,525.16	-0.42%
3-mo US Treasury yield	5.41%	+0.50 bps
2-yr US Treasury yield	4.37%	-1.30 bps
10-yr US Treasury yield	4.02%	-1.70 bps
DXY	102.57	+0.35%