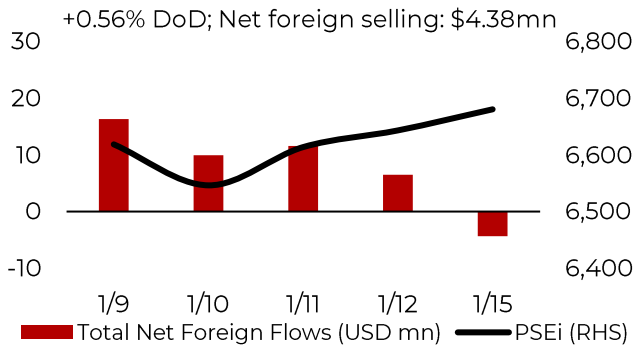


The Morning View

JANUARY 16, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,680.45	+0.56%
3-mo bond yield	5.28%	-5.42 bps
2-yr bond yield	5.88%	-2.74 bps
10-yr bond yield	6.19%	-4.51 bps
USDPHP	55.77	-0.25%
Oil (Brent, \$ / barrel)	78.15	-0.18%

Cash remittances from Overseas Filipino Workers (OFWs) grew by 2.8% YoY to \$2.72 billion in November. Despite the growth, the level recorded a 6-month low amid reduced inflows from the US and geopolitical tensions in the Middle East. According to the Bangko Sentral ng Pilipinas (BSP), cash remittances from the US declined by 15% MoM to \$1.04 billion.

ACEN Corporation (Ticker: ACEN) has issued a corporate guarantee for the repayment of the \$320-million loan of its subsidiary, ACEN Cayman. The loan was obtained for the redemption of preferred shares held by AC Energy Finance International Ltd in ACEN Cayman.

Local equities gained amid optimism on easing producer price index (PPI) data in the US. The PSEi closed at 6,680.45 (+0.56% DoD)

Local fixed income yields declined on the back of a cooler-than-expected US PPI, reinforcing bets of a policy rate cut by the US Federal Reserve. On average, yields fell by 2.33 bps, with the 2Y closing at 5.88% (-2.74 bps) and the 10Y closing at 6.19% (-4.51 bps).

The **Philippine peso** strengthened on the back of easing US PPI data and continued growth in cash remittances for November. The USD/PHP pair closed at 55.77 (-0.25% DoD).

The People's Bank of China (PBOC) kept the medium-term lending facility (MLF) rate steady at 2.5%. This would keep the rate on 995 billion yuan (\$138.8 billion) worth of MLF loans unchanged, contrary to market expectations of a rate cut to boost the economy.

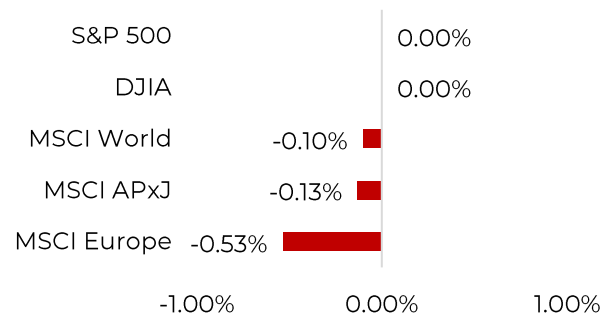
Eurozone industrial production declined by 0.3% MoM in November (October: -0.7%), Eurostat data showed. This marks the third consecutive month of declining industrial activity in the euro area, mainly influenced by the downturn in the production of durable consumer goods.

US equities were unchanged as the markets were closed in observance of the Martin Luther King Jr. holiday. The S&P 500 closed at 4,783.83 (+0.00% DoD) and the DJIA closed at 37,592.98 (+0.00% DoD).

US Treasury yields were flat in observance of the Martin Luther King Jr. day. The 2Y closed at 4.15% (0.00 bps) and the 10Y closed at 3.94% (0.00 bps).

The **US dollar** was unchanged as markets were closed due to the Martin Luther King Jr. Day. The DXY closed at 102.40 (+0.00% DoD).

Global Stock Indices



	Level	DoD
S&P 500	4,783.83	0.00%
DJIA	37,592.98	0.00%
3-mo US Treasury yield	5.38%	0.00 bps
2-yr US Treasury yield	4.15%	0.00 bps
10-yr US Treasury yield	3.94%	0.00 bps
DXY	102.40	0.00%

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