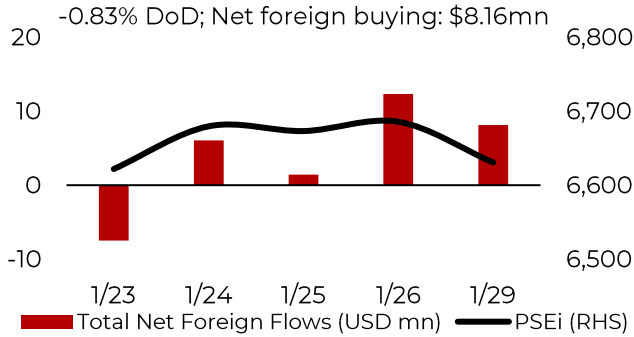


## Philippine Stock Exchange Index



	Level	DoD
PSEi	6,630.68	-0.83%
3-mo bond yield	5.41%	-0.78 bps
2-yr bond yield	5.98%	+0.93 bps
10-yr bond yield	6.20%	+0.24 bps
USDPHP	56.27	-0.04%
Oil (Brent, \$ / barrel)	82.4	-1.38%

**The Bureau of Internal Revenue (BIR) clarified that online sellers with less than Php500,000 in gross remittances are exempt from withholding tax.** The tax covers marketplaces for online shopping, food delivery platforms, and other similar platforms.

**International Container Terminal Services, Inc. (Ticker: ICT) was awarded a 25-year contract to rehabilitate and operate the Iloilo Commercial Port Complex.** This port serves the Iloilo province and Panay Island in Western Visayas. The deal entails a Php750-million concession fee, net of taxes, covering a period of 6 to 10 years.

**Local equities** fell on cautious trading ahead of the 4Q23 gross domestic product (GDP) data release for the Philippines. Bloomberg consensus currently expects GDP growth to moderate to 5.2% in 4Q23 from 5.9% in the previous quarter. The PSEi closed at 6,630.68 (-0.83% DoD)

**Local fixed income yields** were mixed as the market awaited the fourth quarter local GDP print as well as the US Federal Reserve's policy rate decision this week. On average, yields fell by 0.07 bps, with the 2Y closing at 5.98% (+0.93 bps) and the 10Y closing at 6.20% (+0.24 bps).

The **Philippine peso** slightly strengthened as the softer US personal consumption expenditures inflation supported expectations of rate cuts from the Fed. The USD/PHP pair closed at 56.27 (-0.04% DoD).

**The US Treasury Department has reduced its estimated first quarter net borrowing from \$816 billion to \$760 billion amid higher projected net fiscal flows for the quarter.** As of January 25, the cash balance stood at \$830 billion. For the next quarter, the Treasury expects to borrow a net \$202 billion.

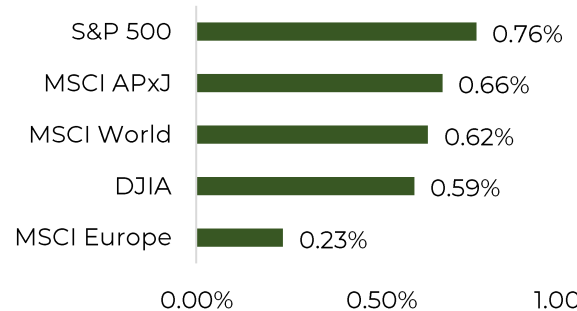
**European Central Bank (ECB) policymaker Peter Kazimir said that the ECB is more likely to cut rates in June than April.** He said that inflation is headed towards the right direction, but more data is needed for an assessment. He added that patience was essential before the ECB make pivotal decisions.

**US equities** rose as investors braced for earnings reports of mega-cap tech companies this week, including Microsoft, Apple, Meta, Amazon, and Alphabet. This was also ahead of the Fed's policy decision. The S&P 500 closed at 4,927.93 (+0.76% DoD) and the DJIA closed at 38,333.45 (+0.59% DoD).

**US Treasury yields** fell after the US Treasury signalled that it reduced its net borrowing estimate for 1Q24. On average, yields fell by 3.8 bps, with the 2Y closing at 4.32% (-2.90 bps) and the 10Y closing at 4.08% (-6.30 bps).

The **US dollar** strengthened amid safe-haven demand as tensions between the US and Iran escalated. This was also ahead of the Fed's policy meeting this week. The DXY closed at 103.61 (+0.17% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	4,927.93	+0.76%
DJIA	38,333.45	+0.59%
3-mo US Treasury yield	5.36%	-0.30 bps
2-yr US Treasury yield	4.32%	-2.90 bps
10-yr US Treasury yield	4.08%	-6.30 bps
DXY	103.61	+0.17%

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