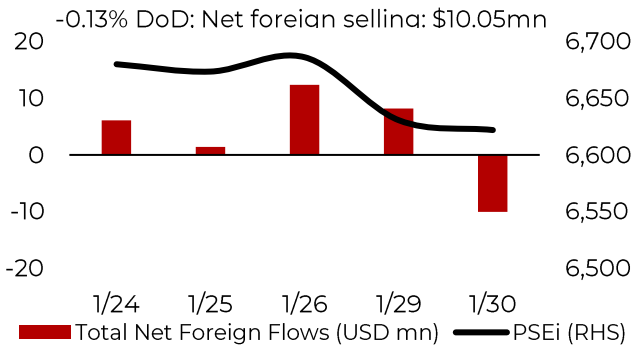


The Morning View

JANUARY 31, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,622.01	-0.13%
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	56.40	+0.23%
Oil (Brent, \$ / barrel)	82.87	+0.57%

The Philippines' gross domestic product (GDP) in 3Q23 was revised upwards from initially 5.9% to 6%. According to the Philippine Statistics Authority (PSA), the sources of the upward revision were manufacturing, financial and insurance activities, and accommodation and food services.

Manila Electric Company (Ticker: MER) has upgraded its Duhat Substation located in Bocaue, Bulacan. The installation of a 115-kilovolt (kV) capacitor bank would help prevent the risk of power interruption and improve the quality of power supplied to customers in the province.

Local equities marginally fell ahead of the PH gross domestic product (GDP) data release. The PSEi closed at 6,622.01 (-0.13% DoD).

Local fixed income yields were mixed as investors waited for the fourth quarter local GDP print and the US Federal Reserve's policy rate decision. The Bureau of the Treasury also raised Php30 billion via the re-issued 3-year Treasury bonds. On average, yields rose by 0.02 bps, with the 2Y closing at 5.97% (-0.22 bps) and the 10Y closing at 6.18% (-1.52 bps).

The **Philippine peso** weakened ahead of the 4Q23 GDP releases from the Philippines and the Eurozone. The USD/PHP pair closed at 56.40 (+0.23% DoD).

US job openings rose to 9.03 million in December (November: revised 8.925 million), driven by growth in the professional and business services. Conversely, resignations declined to 3.39 million, led by healthcare and social assistance. These suggest a strong labor market, potentially pushing back the timing of US Fed rate cuts.

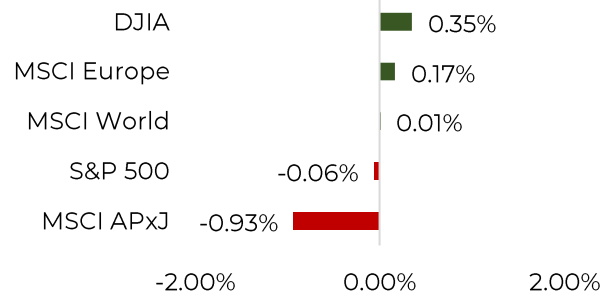
US consumer confidence index jumped to a two-year high of 114.8 in January (Dec: revised 108.0). The increase in consumer confidence was driven by easing inflation, anticipation of rate cuts, and generally favorable employment conditions.

US equities were mixed as investors stayed on the sidelines ahead of the Fed's latest policy rate decision. The S&P 500 closed at 4,924.97 (-0.06% DoD) and the DJIA closed at 38,467.31 (+0.35% DoD).

US Treasury yields fell as the markets awaited further guidance from the US Federal Reserve's policy meeting. On average, yields fell by 1.95 bps, with the 2Y closing at 4.34% (+1.50 bps) and the 10Y closing at 4.03% (-4.20 bps).

The **US dollar** weakened ahead of the results of the US Fed's two-day policy meeting. Investors also parsed through a fresh batch of key economic data releases in the US and Eurozone. The DXY closed at 103.40 (-0.20% DoD).

Global Stock Indices



	Level	DoD
S&P 500	4,924.97	-0.06%
DJIA	38,467.31	+0.35%
3-mo US Treasury yield	5.37%	+0.40 bps
2-yr US Treasury yield	4.34%	+1.50 bps
10-yr US Treasury yield	4.03%	-4.20 bps
DXY	103.40	-0.20%

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