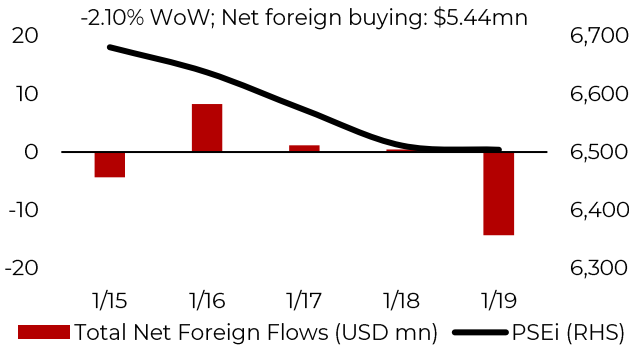


The Weekly Review

JANUARY 22, 2024

Philippine Stock Exchange Index



The local equity market declined as hawkish remarks from Fed officials and stronger US retail sales data tempered hopes of early rate cuts from the US Federal Reserve.

Top performers were Bloomberry Resorts Corp (PSE Ticker: BLOOM; +1.81%), LT Group Inc (LTG; +1.55%), and Alliance Global Group Inc (AGI; +1.22%). Meanwhile, Wilcon Depot Inc (PSE Ticker: WLCON; -5.59%), Nickel Asia Corp (NIKL; -6.00%), and Converge Information and Communications Technology Solutions, Inc. (CNVRG; -6.09%) were the laggards of the week.

▼ The PSEi closed at 6,503.54 (-2.10% WoW).

Local fixed income yields were mixed but slightly rose on average after the higher-than-expected US retail sales data and hawkish statements from US Fed officials tempered early rate cut bets.

▲ On average, yields rose by 0.3 bps, with the 2Y closing at 5.89% (-2 bps) and the 10Y closing at 6.22% (-2 bps).

The Philippine peso weakened after hawkish remarks from various US Fed officials and stronger-than-expected US December retail sales data tempered hopes of early rate cuts from the US Fed.

▲ USD/PHP pair closed at 55.97 (+0.11% WoW).

	Level	WoW
PSEi	6,503.54	-2.10%
3-mo bond yield	5.36%	+2.17 bps
2-yr bond yield	5.89%	-1.55 bps
10-yr bond yield	6.22%	-2.07 bps
USDPHP	55.97	+0.11%
Oil (Brent, \$ / barrel)	78.56	+0.34%

The US stock markets rose as upbeat 4Q23 earnings from the world's largest chipmaker, Taiwan Semiconductor Manufacturing Co (TSMC), boosted optimism for US tech stocks. TSMC reported a net income of TWD32.34 million, beating market expectations of TWD31.75 million.

▲ S&P 500 closed at 4,839.81 (+1.17% WoW).

▲ DJIA closed at 37,863.80 (+0.72% WoW).

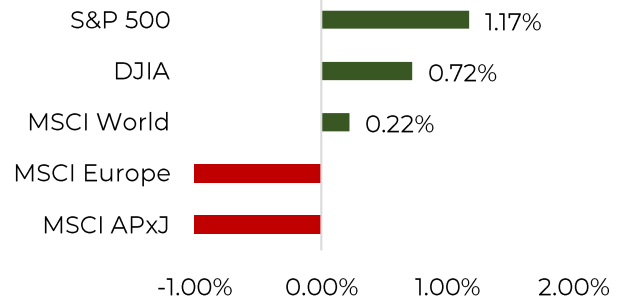
US Treasury yields rose as investors weighed hawkish statements from US Fed Governor Waller and stronger than expected US retail sales. Fed Governor Waller stated that the US is close to the Fed's inflation target of 2% but reiterated that rate cuts should not be rushed.

▲ On average, US Treasury yields rose by 5 bps WoW, with the 10Y closing at 4.13% (+9 bps).

The **US dollar** strengthened amid the above-consensus retail sales data and lower-than-expected jobless claims data. Investors also digested remarks from some US Federal Reserve officials which countered market expectations of early aggressive rate cuts.

▲ The DXY closed at 103.29 (+0.86% WoW).

Global Stock Indices



	Level	WoW
S&P 500	4,839.81	+1.17%
DJIA	37,863.80	+0.72%
3-mo US Treasury yield	5.37%	-2.80 bps
2-yr US Treasury yield	4.39%	+1.00 bps
10-yr US Treasury yield	4.13%	+9.40 bps
DXY	103.29	+0.86%