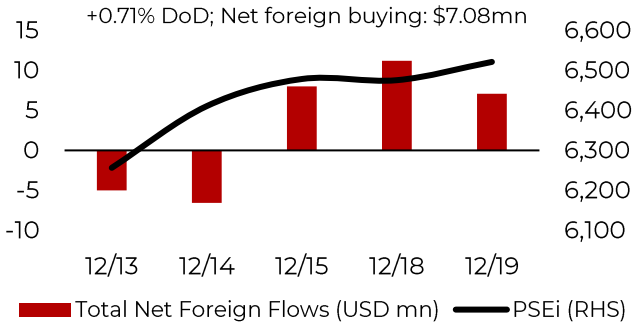


# The Morning View

DECEMBER 20, 2023

## Philippine Stock Exchange Index



	Level	DoD
PSEi	6,521.27	+0.71%
3-mo bond yield	5.15%	-13.88 bps
2-yr bond yield	5.99%	+0.30 bps
10-yr bond yield	6.08%	-0.89 bps
USDPHP	55.95	+0.14%
Oil (Brent, \$ / barrel)	79.23	+1.64%

**New vehicle sales rose 7.6% YoY to 37,683 in November**, the Chamber of Automotive Manufacturers of the Philippines, Inc. (CAMPI) and the Truck Manufacturers Association (TMA) jointly reported. The growth recorded was at its slowest pace in 21 months as demand for passenger cars and commercial vehicles eased to single digits amid elevated interest rates.

**Globe Telecom, Inc. (Ticker: GLO) expects to complete its Php96 billion tower sale and leaseback deal by 2024.** The firm have so far raised Php57.4 billion from the transfer of 4,464 towers, which represents 60% of the 7,506 total towers sold.

**Local equities** rose as market sentiment improved following upbeat economic news such as the International Monetary Fund's assessment that the country's fiscal consolidation is on track and the Philippine Economic Zone Authority's positive outlook on investment approvals for 2023. The PSEi closed at 6,521.27 (+0.71% DoD).

**Local fixed income yields** were mixed as investors continued to weigh remarks from US Fed officials regarding the likelihood of rate cuts next year. On average, yields fell by 2.77 bps, with the 2Y closing at 5.99% (+0.30 bps) and the 10Y closing at 6.08% (-0.89 bps).

The **Philippine peso** weakened ahead of key inflation data in the US. The USD/PHP pair closed at 55.95 (+0.14% DoD).

**Federal Reserve Bank of Richmond President Thomas Barkin** said that the Fed would cut interest rates if progress on inflation continues. However, he noted that he is still looking for conviction that inflation is heading back to the Fed's 2% target.

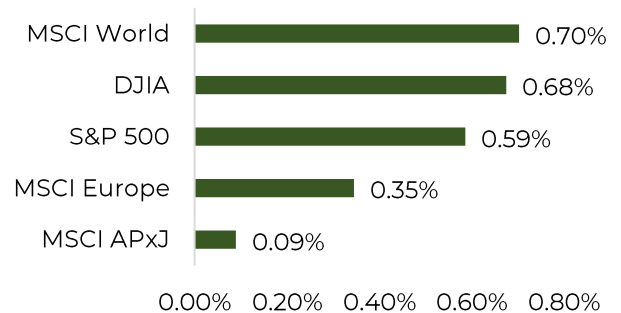
**Governing Council member Francois Villeroy de Galhau** believes the European Central Bank should cut interest rates in 2024, barring any surprises. However, Villeroy warned against cutting too early which could risk inflation to accelerate again.

**US equities** mildly rose ahead of the Personal Consumption Expenditures (PCE) inflation data release. Moreover, markets continued to weigh expectations of rate cuts from the Fed next year. The S&P 500 closed at 4,768.37 (+0.59% DoD) and the DJIA closed at 37,557.92 (+0.68% DoD).

**US Treasury yields** fell as investors continued to monitor comments from US Fed officials and assessed the prospect of future rate cuts. On average, yields fell by 0.51 bps, with the 2Y closing at 4.44% (-0.40 bps) and the 10Y closing at 3.93% (-0.20 bps).

The **US dollar** weakened as investors weighed various comments from US Fed officials and waited for the release of the PCE price index data. The DXY closed at 102.17 (-0.38% DoD)

## Global Stock Indices



	Level	DoD
S&P 500	4,768.37	+0.59%
DJIA	37,557.92	+0.68%
3-mo US Treasury yield	5.38%	-1.30 bps
2-yr US Treasury yield	4.44%	-0.40 bps
10-yr US Treasury yield	3.93%	-0.20 bps
DXY	102.17	-0.38%