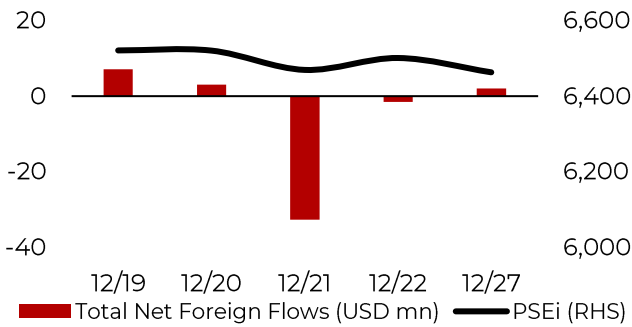


The Morning View

DECEMBER 28, 2023

Philippine Stock Exchange Index



The Bureau of the Treasury (BTr) disclosed that the national government has paid **Php1.48 trillion of debt in the first ten months of 2023 (+59% YoY)**. This accounted for about 95% of the planned Php1.55 trillion debt payments for this year. As of the third quarter, the country's debt-to-GDP ratio stood at 60.2%, slightly above the international threshold of 60%.

ACEN Corp.'s (Ticker: ACEN) subsidiary, Belenos Energy Corp., acquired two companies, YMP Telecom Power, Inc. and YMP Industrial Power, Inc. The acquisition will enable the firm to provide solar power to telecom towers, as well as commercial and industrial sectors.

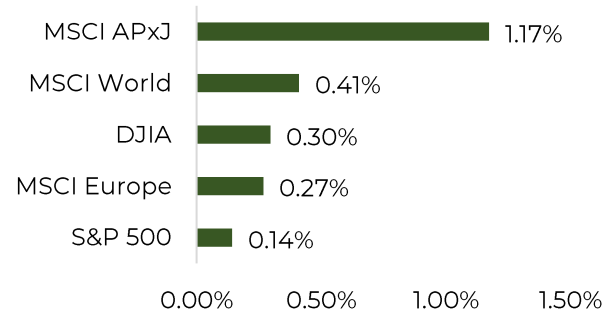
Local equities declined as investors took profit and waited for fresh market catalysts towards the year-end. The PSEi closed at 6,462.80 (-0.59% DoD).

Local fixed income yields fell as the slower November US PCE reading raised investors' bets of rate cuts from the US Federal Reserve next year. On average, yields fell by 2.41 bps, with the 2Y closing at 5.93% (-1.78 bps) and the 10Y closing at 5.97% (-0.49 bps).

The **Philippine peso** weakened amid bargain hunting following three consecutive days of gains. The USD/PHP pair closed at 55.55 (+0.27% DoD).

	Level	DoD
PSEi	6,462.80	-0.59%
3-mo bond yield	5.16%	-10.67 bps
2-yr bond yield	5.93%	-1.78 bps
10-yr bond yield	5.97%	-0.49 bps
USDPHP	55.55	+0.27%
Oil (Brent, \$ / barrel)	79.65	-1.75%

Global Stock Indices



	Level	DoD
S&P 500	4,781.58	+0.14%
DJIA	37,656.52	+0.30%
3-mo US Treasury yield	5.41%	+3.10 bps
2-yr US Treasury yield	4.25%	-11.40 bps
10-yr US Treasury yield	3.80%	-10.30 bps
DXY	100.99	-0.47%

China's industrial profits jumped by 29.5% YoY in November (October: 2.7%), marking its fourth straight month of growth. In the first 11 months, the decline in industrial earnings narrowed to 4.4% YoY in November from 7.8% in October as the government's stimulus measures helped improve the manufacturing sector.

The Thai Rice Exporters Association reported that the price of 5% broken Thai white rice rose to \$659/ton, a 15-year high. The increased prices could be attributed to strong demand and lingering supply concerns due to export restrictions from India and dry weather.

US equities inched up as investors continued to digest the cooling PCE inflation data. This was also ahead of the initial jobless claims data release. The S&P 500 closed at 4,781.58 (+0.14% DoD) and the DJIA closed at 37,656.52 (+0.30% DoD).

US Treasury yields dropped as investors continued to weigh the outlook for monetary policy for the year ahead. On average, yields fell by 6.76 bps, with the 2Y closing at 4.25% (-11.40 bps) and the 10Y closing at 3.80% (-10.30 bps).

The **US Dollar** weakened as investors continued to digest the slower US PCE inflation print in November which supported rate cut expectations next year. The DXY closed at 100.99 (-0.47% DoD).