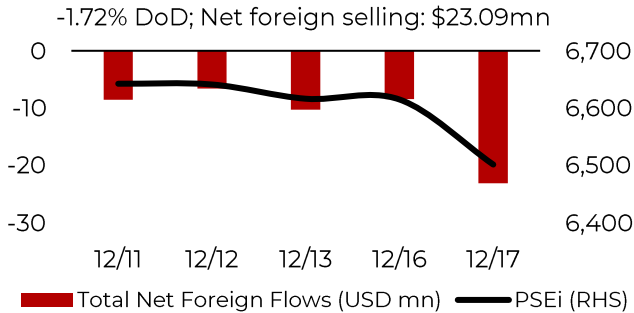


The Morning View

December 18, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,501.71	-1.72%
3-mo bond yield	5.88%	+4.36 bps
2-yr bond yield	5.92%	-1.18 bps
10-yr bond yield	5.94%	-0.64 bps
USDPHP	58.87	+0.34%
Oil (Brent, \$ / barrel)	73.19	-0.97%

The National Economic and Development Authority (NEDA) Board approved two projects worth Php63.2 billion. The projects include the Php37.5-billion Ilocos Norte-Ilocos Sur-Abra Irrigation project and the Php25.7-billion Department of Public Works and Highways' bridge construction project to improve connectivity and disaster resilience.

JG Summit Holdings Inc. (PSE Ticker: JGS) is planning to temporarily shut down its petrochemical business for four months starting January 2025 to reduce operational losses. Management noted the petrochemical industry continues to face challenges amid the continued softness in market demand.

Local equities fell amid net foreign selling ahead of the policy rate decisions of the US Federal Reserve and the Bangko Sentral ng Pilipinas (BSP) this week. The PSEi closed at 6,501.71 (-1.72% DoD).

Local fixed income yields ended mixed as markets awaited the release of the November US retail sales data overnight, a key indicator that could influence the Fed's policy direction. On average, yields rose by 1.09 bps, with the 2Y closing at 5.92% (-1.18 bps) and the 10Y closing at 5.94% (-0.64 bps).

The **Philippine peso** weakened to a three-week low amid cautious sentiment ahead of the policy decisions of the Fed and the BSP. The USD/PHP pair closed at 58.87 (+0.34% DoD).

US retail sales rose by 0.7% MoM in November (October: revised +0.5%), surpassing the consensus forecast of a 0.6% increase.

This growth was primarily driven by a 2.6% surge in motor vehicle sales and a 1.8% rise in online purchases.

US factory output growth rebounded to 0.2% MoM in November (Revised Oct.: -0.7%), albeit weaker than the market's expectation of +0.5%.

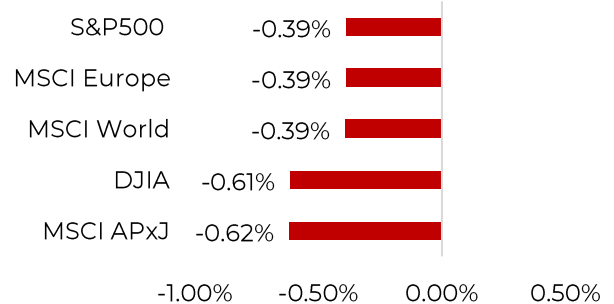
The growth was driven by the surge in motor vehicle output, which was partially offset by the slower production of aerospace and miscellaneous transportation equipment.

US equities dropped as investors remained cautious ahead of the US Fed's policy rate decision. This was also after US retail sales data came out stronger than expected in November. The S&P 500 closed at 6,050.61 (-0.39% DoD) and the DJIA closed at 43,449.90 (-0.61% DoD).

US Treasury yields rose as US retail sales data in November beat consensus. This was also ahead of the US Fed's policy rate decision. On average, yields rose by 0.20 bps, with the 2Y closing at 4.25% (-0.40 bps) and the 10Y closing at 4.40% (0.00 bps).

The **US dollar** slightly strengthened after the November US retail sales data came in higher than expected. The DXY closed at 106.96 (+0.09% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,050.61	-0.39%
DJIA	43,449.90	-0.61%
3-mo US Treasury yield	4.33%	+1.30 bps
2-yr US Treasury yield	4.25%	-0.40 bps
10-yr US Treasury yield	4.40%	0.00 bps
DXY	106.96	+0.09%

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