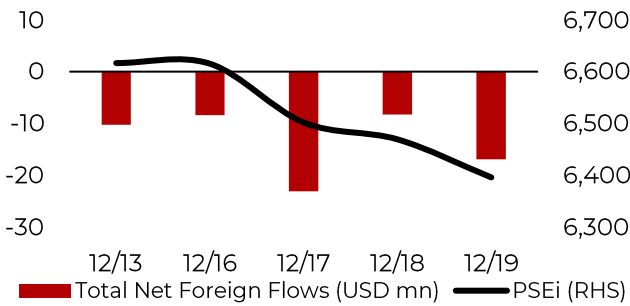


The Morning View

December 20, 2024

Philippine Stock Exchange Index

-1.14% DoD; Net foreign selling: \$16.90mn



	Level	DoD
PSEi	6,395.60	-1.14%
3-mo bond yield	5.91%	+5.80 bps
2-yr bond yield	5.98%	+5.92 bps
10-yr bond yield	6.00%	+5.71 bps
USDPHP	59.00	+0.02%
Oil (Brent, \$ / barrel)	72.88	-0.69%

The Bangko Sentral ng Pilipinas (BSP) cut its policy rate by 25 bps to 5.75% but signaled the possibility of fewer cuts in 2025.

BSP Governor Remolona noted that they would continue to cut in “baby steps” moving forward, citing risks to inflation due to upward adjustments in transport fares and electricity rates.

Jollibee Foods Corporation (PSE Ticker: JFC) announced that it is redeeming its \$600-million guaranteed senior perpetual capital securities on January 23, 2025.

Upon redemption, the securities will be cancelled and subsequently delisted from the Singapore Exchange Securities Trading Ltd.

Local equities fell to an over five-month low as the recent weakening of the Philippine peso and the US Federal Reserve’s tempered rate cut outlook for 2025 weighed down on investors’ sentiment. The PSEi closed at 6,395.60 (-1.14% DoD).

Local fixed income yields climbed as investors digested the US Fed’s reduction of its rate cut projections next year from four 25 bps to only two. On average, yields rose by 6.95 bps, with the 2Y closing at 5.98% (+5.92 bps) and the 10Y closing at 6.00% (+5.71 bps).

The **Philippine peso** weakened to a record-low after the US Fed signaled fewer rate cuts next year. The market also digested the wider balance of payments deficit of \$2.28 billion in November. The USD/PHP pair closed at 59.00 (+0.02% DoD).

US weekly jobless claims fell by 22,000 to a seasonally adjusted 227,000 for the week ended December 14, falling below markets' expectations of 230,000.

The decline highlights fewer Americans seeking unemployment benefits, reflecting the labor market’s continued resilience.

US Gross Domestic Product (GDP) growth was revised up to 3.1% in 3Q24 (previously: 2.8%).

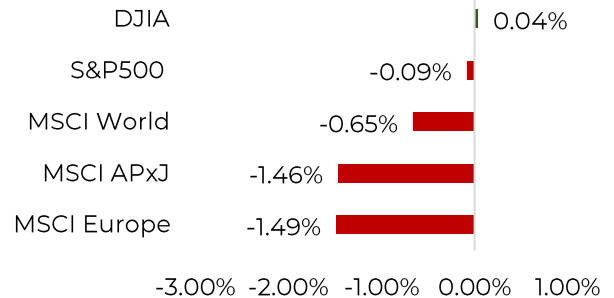
The revision reflects stronger consumer spending and export growth, which more than offset a decline in private inventory investment and an increase in imports.

US equities were mixed as investors weighed the upward revision in US 3Q24 GDP growth data and the US Fed’s updated economic projections, which showed fewer rate cuts and higher inflation for 2025. The S&P 500 closed at 5,867.08 (-0.09% DoD) and the DJIA closed at 42,342.24 (+0.04% DoD).

US Treasury yields closed mixed after the 3Q24 US GDP growth was revised higher. Investors also remained cautious ahead of the November personal consumption expenditures (PCE) inflation data. On average, yields rose by 1.46 bps, with the 2Y closing at 4.32% (-4.00 bps) and the 10Y closing at 4.57% (+4.80 bps).

The **US dollar** strengthened after 3Q US GDP was revised upwards and initial jobless claims came in below expectations. The DXY closed at 108.41 (+0.35% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,867.08	-0.09%
DJIA	42,342.24	+0.04%
3-mo US Treasury yield	4.34%	-0.80 bps
2-yr US Treasury yield	4.32%	-4.00 bps
10-yr US Treasury yield	4.57%	+4.80 bps
DXY	108.41	+0.35%

This material, which is strictly for information purposes only, is for your sole use, does not constitute a recommendation or an offer to sell or a solicitation to buy any financial product. Any information is subject to change without notice and BPI Wealth is not under any obligation to update or keep current the information contained herein. You are advised to make your own independent judgment with respect to the matter contained in this document. No liability whatsoever is accepted for any loss that may arise (whether direct or consequential) from any use of the information contained herein.

All funds managed by BPI Wealth are Trust and/or Investment Management Funds, which do not carry any guarantee of income or principal, and are NOT covered by the Philippine Deposit Insurance Corporation. Past performance is not a guarantee of future results. BPI Wealth Investment Funds are valued daily using the marked-to-market method.