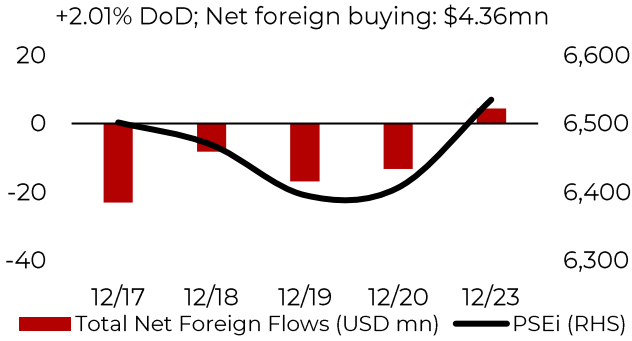


The Morning View

December 26, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,534.91	+2.01%
3-mo bond yield	5.95%	+0.41 bps
2-yr bond yield	6.01%	+0.68 bps
10-yr bond yield	6.11%	+10.10 bps
USDPHP	58.45	-0.61%
Oil (Brent, \$ / barrel)	72.63	-0.43%

*as of December 23, 2024

US consumer confidence pulled back to 104.7 in December (November: revised 112.8, consensus: 113.2) amid concerns about the potential impact of Trump's policies to the economy. The Conference Board also reported that consumers are less optimistic about future business conditions and incomes.

US core capital goods orders rebounded by 0.7% MoM in November (October: revised -0.1%), the largest monthly advance in over a year. The upbeat data also came significantly higher than the 0.1% consensus, driven by strong demand for machinery.

US equities closed higher as megacap technology stocks rallied amid the Christmas Eve holiday. The S&P 500 closed at 6,040.04 (+1.10% DoD) and the DJIA closed at 43,297.03 (+0.91% DoD).

US Treasury yields closed mixed on the back of a shortened trading session ahead of the holidays. On average, yields rose by 0.36 bps, with the 2Y closing at 4.34% (-0.50 bps) and the 10Y closing at 4.59% (+0.20 bps).

The **US dollar** slightly strengthened amid expectations of a slower pace of Fed rate cuts in 2025. Trading was also muted ahead of the holiday break. The DXY closed at 108.26 (+0.20% DoD).

According to the Bureau of the Treasury (BTr), the National Government plans to borrow Php629 billion from the domestic market in 1Q25, ahead of the midterm elections. The BTr seeks to raise Php264 billion through Treasury bill issuances and Php365 billion from Treasury bonds during the January-March period.

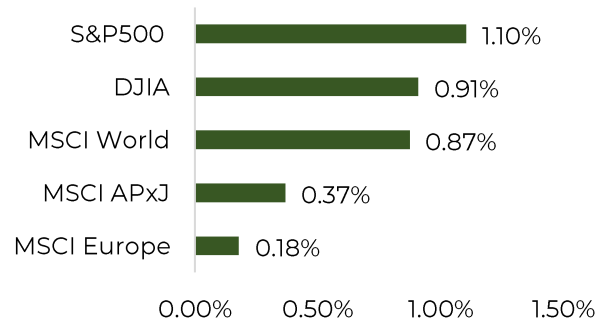
ACEN Corporation (PSE Ticker: ACEN) sets a Php70-billion capital expenditure (capex) budget for next year. ACEN expects to operationalize projects with a combined capacity of 1.2 gigawatts (GW) in and outside the Philippines in 2025.

Local equities jumped amid positive sentiment after Bangko Sentral ng Pilipinas (BSP) Governor Remolona signaled a potential rate cut in January 2025. Investors also digested the November US Personal Consumption Expenditures (PCE) inflation data which accelerated but came in below market's expectation. The PSEi closed at 6,534.91 (+2.01% DoD).

Local fixed income yields rose after US November PCE inflation accelerated to 2.4% and 3Q24 US economic growth was upgraded to 3.1% from 2.8%. On average, yields rose by 1.95 bps, with the 2Y closing at 6.01% (+0.68 bps) and the 10Y closing at 6.11% (+10.10 bps).

The **Philippine peso** strengthened after the softer-than-anticipated US PCE inflation data reinforced bets of further Fed rate cuts ahead. The USD/PHP pair closed at 58.45 (-0.61% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,040.04	+1.10%
DJIA	43,297.03	+0.91%
3-mo US Treasury yield	4.33%	+0.60 bps
2-yr US Treasury yield	4.34%	-0.50 bps
10-yr US Treasury yield	4.59%	+0.20 bps
DXY	108.26	+0.20%

*as of December 24, 2024