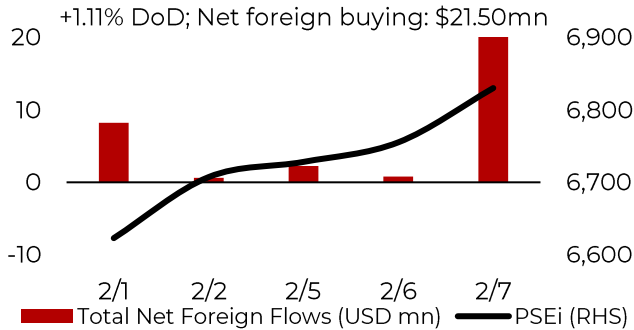


The Morning View

February 8, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,830.04	+1.11%
3-mo bond yield	5.46%	+0.04 bps
2-yr bond yield	6.01%	+1.25 bps
10-yr bond yield	6.20%	+0.43 bps
USDPHP	55.95	-0.44%
Oil (Brent, \$ / barrel)	79.21	+0.79%

According to the Philippine Statistics Authority (PSA), PH unemployment rate declined to 3.1% in December (Nov: 3.6%).

This marked the lowest rate since the PSA introduced a new methodology for measurement in 2005. Meanwhile, the underemployment rate rose to 11.9% (Nov: 11.7%).

Globe Telecom Inc. (Ticker: GLO) posted a net income of Php24.6 billion in FY2023, lower by 29% YoY.

This was despite revenues reaching a record-high of Php162.3 billion. The decline in net income was mainly driven by higher depreciation expenses and high base effects following a one-time gain for the partial sale of the company's data center business in FY2022.

Local equities gained amid optimism over strong labor data. Moreover, the cooler-than-expected inflation print in January also continued to boost investors' sentiment. The PSEi closed at 6,830.04 (+1.11% DoD)

Local fixed income yields edged higher following hawkish comments from several US Federal Reserve officials. On average, yields rose by 0.01 bps, with the 2Y closing at 6.01% (+1.25 bps) and the 10Y closing at 6.20% (+0.43 bps).

The **Philippine peso** strengthened as investors continued to weigh easing inflation data locally. The USD/PHP pair closed at 55.95 (-0.44% DoD).

US trade deficit narrowed to \$773.4 billion in FY2023 (FY2022: \$951.2), the largest drop since 2009.

The lower deficit was driven by the increase in exports and decrease in imports. Exports grew by 1.2% YoY, while imports shrank by 3.6% YoY.

Several Fed policymakers signaled that there is no immediate need for the US Federal Reserve to start monetary easing.

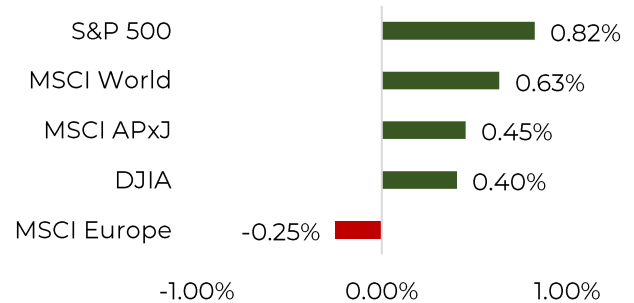
Fed Governor Kugler, Richmond Fed President Barkin, Minneapolis Fed President Kashkari, and Boston Fed President Collins acknowledged the progress on inflation but urged caution on the timing of rate cuts.

US equities rose to fresh highs as investors parsed through another batch of strong earnings results from companies such as Enphase Energy Inc., Ford Motor Co., and Chipotle Mexican Grill, Inc. The S&P 500 closed at 4,995.06 (+0.82% DoD) and the DJIA closed at 38,677.36 (+0.40% DoD).

US Treasury yields edged higher amid strong demand for the US Treasury's 10-year notes auction. Investors also weighed recent hawkish remarks from Fed officials. On average, yields rose by 1.76 bps, with the 2Y closing at 4.43% (+2.50 bps) and the 10Y closing at 4.12% (+2.10 bps).

The **US dollar** weakened as investors stayed on the sidelines as they wait for fresh leads. The DXY closed at 104.06 (-0.15% DoD).

Global Stock Indices



	Level	DoD
S&P 500	4,995.06	+0.82%
DJIA	38,677.36	+0.40%
3-mo US Treasury yield	5.39%	-0.30 bps
2-yr US Treasury yield	4.43%	+2.50 bps
10-yr US Treasury yield	4.12%	+2.10 bps
DXY	104.06	-0.15%

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