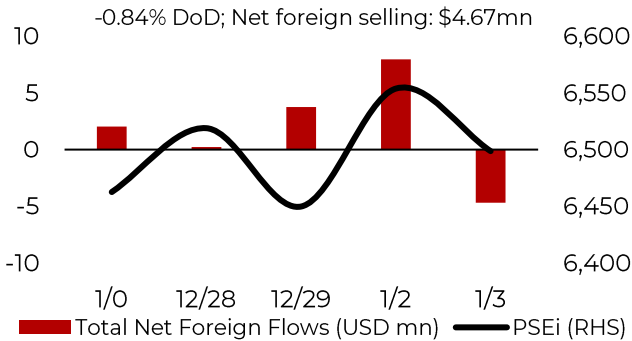


The Morning View

JANUARY 4, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,498.88	-0.84%
3-mo bond yield	5.22%	+1.86 bps
2-yr bond yield	5.90%	0.00 bps
10-yr bond yield	6.15%	+10.14 bps
USDPHP	55.57	-0.18%
Oil (Brent, \$ / barrel)	78.25	+3.11%

The National Government's (NG) total outstanding debt rises to a new record high of Php14.51 trillion as of end-November.

According to the Bureau of the Treasury (BTr), the increase was primarily due to the net issuance of domestic securities. Domestic debt, accounting for 69.1% of the total outstanding debt, grew to Php10.02 trillion as of end-November.

ACEN Corporation (Ticker: ACEN) has completed the acquisition of shares in three wind projects from Barito Renewables, Inc. in Indonesia. These projects have a combined potential capacity of 320 megawatts. The acquisition would expand ACEN's wind energy footprint in the Asia-Pacific.

Local equities declined on profit-taking ahead of the Fed minutes release and local inflation data. The PSEi closed at 6,498.88 (-0.84% DoD)

Local fixed income yields rose after the issuance of a new Php30 billion 3-year bond by the BTr. The market also awaited the local inflation report. On average, yields rose by 4.68 bps, with the 2Y closing at 5.90% (+0.00 bps) and the 10Y closing at 6.15% (+10.14 bps).

The **Philippine peso** strengthened ahead of the release of the US Federal Reserve's December minutes of the meeting. The USD/PHP pair closed at 55.57 (-0.18% DoD).

US job openings declined to 8.79 million in November, its lowest level since March 2021. The decline suggests a cooling labor market which may later support Fed policy rate cuts this year. According to the monthly Job Openings and Labor Turnover Survey (JOLTS) report, there were 1.4 job openings for every unemployed person.

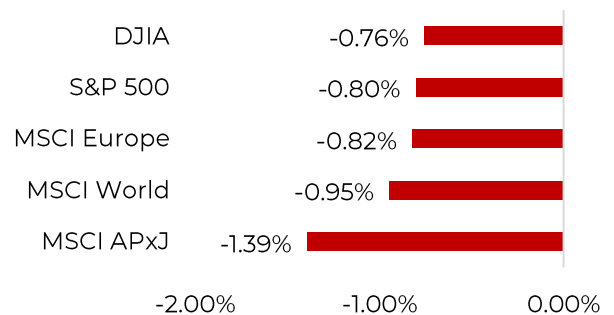
US Institute for Supply Management (ISM) Manufacturing PMI climbed to 47.4 in December, after staying at 46.7 in the past two months. Albeit still indicative of a contraction, recovery is seen in the sector amid slightly improving production and factory employment.

US equities slipped on extended profit-taking from last year's gains. Investors also digested the minutes of the Fed's latest meeting, which showed uncertainty about the timing of policy rate cuts. The S&P 500 closed at 4,704.81 (-0.80% DoD) and the DJIA closed at 37,430.19 (-0.76% DoD).

US Treasury yields were mixed amid the uncertainty on the policy path after the Fed minutes release. On average, yields fell by 0.16 bps, with the 2Y closing at 4.33% (+0.90 bps) and the 10Y closing at 3.92% (-1.30 bps).

The **US Dollar** strengthened amid profit-taking. Investors also digested the December Fed minutes of the meeting which pushed back against expectations of early aggressive rate cuts this year. The DXY closed at 102.49 (+0.29% DoD).

Global Stock Indices



	Level	DoD
S&P 500	4,704.81	-0.80%
DJIA	37,430.19	-0.76%
3-mo US Treasury yield	5.40%	+2.30 bps
2-yr US Treasury yield	4.33%	+0.90 bps
10-yr US Treasury yield	3.92%	-1.30 bps
DXY	102.49	+0.29%

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