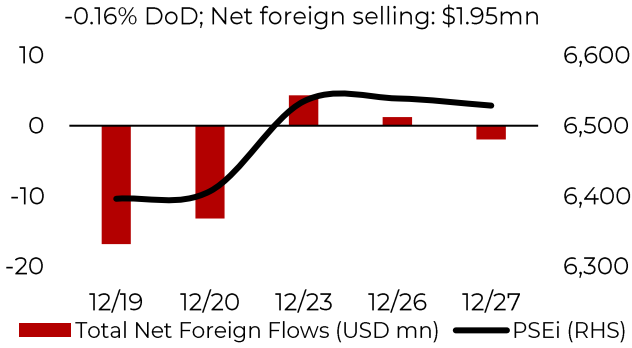


The Morning View

January 2, 2025

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,528.79	-0.16%
3-mo bond yield	5.89%	-1.99 bps
2-yr bond yield	6.05%	+1.39 bps
10-yr bond yield	6.18%	+5.37 bps
USDPHP	57.85	-0.22%
Oil (Brent, \$ / barrel)	74.17	+1.24%

*as of December 27, 2024

US pending home sales rose by 2.2% MoM in November (Revised Oct.: +1.8%), according to the National Association of Realtors.

This was higher than the market's expectation of a 0.8% rise as buyers took advantage of more available inventory and are no longer expecting mortgage rates to substantially fall.

China's National Bureau of Statistics Services Purchasing Managers' Index (PMI) rebounded to 52.2 in December (November: 50.0) amid growth in the financial services, telecommunications, and travel sectors.

Meanwhile, the Manufacturing PMI slipped slightly to 50.1 (November: 50.3), still above the 50 threshold which signals an expansion.

US equities slipped on the back of muted year-end trading.

This was also amid analysts' expectations that the US Fed could keep rates steady in its January meeting. The S&P 500 closed at 5,881.63 (-0.43% DoD) and the DJIA closed at 42,544.22 (-0.07% DoD).

US Treasury yields closed mixed amid a shortened trading day.

Investors also continued to recalibrate their rate cut expectations for 2025. On average, yields rose by 1.78 bps, with the 2Y closing at 4.24% (-0.20 bps) and the 10Y closing at 4.58% (+4.00 bps).

The US dollar strengthened as traders anticipated a cautious pace of Fed rate cuts in 2025 given the resilient US economy and sticky inflation.

The DXY closed at 108.49 (+0.33% DoD).

President Marcos signed into law the Php6.326-trillion FY2025 national budget but vetoed over Php194 billion worth of line items. Vetoed items include Php26.065 billion worth of projects under the Department of Public Works and Highways and Php168.240 billion worth of projects allocated under "Unprogrammed Appropriations."

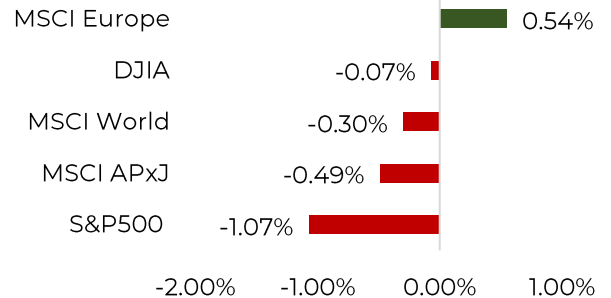
Aboitiz Equity Ventures, Inc.'s (PSE Ticker: AEV) affiliate, Aboitiz Construction, completed the construction of five warehouses in Cebu for the FAST Logistics Group. The project has a total floor area of 17,315 square meters and was delivered in less than a year.

Local equities inched down amid thin trading ahead of the long weekend and New Year's holiday. The PSEi closed at 6,528.79 (-0.16% DoD).

Local fixed income yields climbed as traders weighed the lower-than-expected US weekly jobless claims, which supported expectations of gradual rate cuts from the Fed. On average, yields rose by 0.99 bps, with the 2Y closing at 6.05% (+1.39 bps) and the 10Y closing at 6.18% (+5.37 bps).

The **Philippine peso** strengthened on the back of the seasonal increase in OFW remittances amid the holiday season. The USD/PHP pair closed at 57.85 (-0.22% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,881.63	-0.43%
DJIA	42,544.22	-0.07%
3-mo US Treasury yield	4.33%	+3.80 bps
2-yr US Treasury yield	4.24%	-0.20 bps
10-yr US Treasury yield	4.58%	+4.00 bps
DXY	108.49	+0.33%

*as of December 31, 2024

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