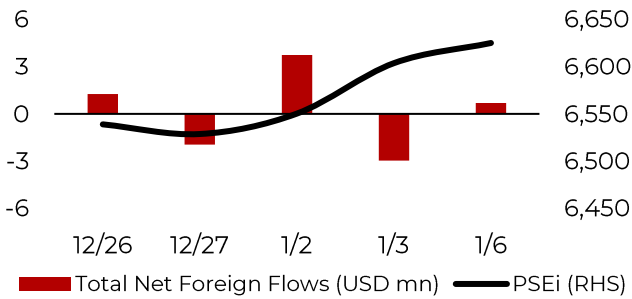


The Morning View

January 7, 2025

Philippine Stock Exchange Index

+0.32% DoD; Net foreign buying: \$0.71mn



The Department of Agriculture (DA) plans to implement a maximum suggested retail price (MSRP) for imported rice by the end of January to curb profiteering and lower prices. DA Secretary Francisco Laurel Jr. clarified it is not a price cap but aims to reduce imported premium rice prices.

Jollibee Foods Corp.'s (PSE Ticker: JFC) subsidiary, Milkshop International Co., Ltd., will acquire a 70% stake in Taiwan's wellness soup brand Moon Moon Food for NT\$103.8 million (~Php184 million). JFC said that the acquisition will reinforce Milkshop's position as a leader in the tea segment in Taiwan.

Local equities inched up amid bargain-hunting ahead of the December local inflation data release. The PSEi closed at 6,625.17 (+0.32% DoD).

Local fixed income yields declined on cautious trading ahead of the release of the December local inflation print. Investors also continued to weigh potential further rate cuts from the Bangko Sentral ng Pilipinas this year. On average, yields fell by 1.68 bps, with the 2Y closing at 6.05% (-1.64 bps) and the 10Y closing at 6.14% (-1.32 bps).

The **Philippine peso** slightly weakened amid expectations that local headline inflation will accelerate in December. The USD/PHP pair closed at 58.27 (+0.12% DoD).

	Level	DoD
PSEi	6,625.17	+0.32%
3-mo bond yield	5.81%	-1.92 bps
2-yr bond yield	6.05%	-1.64 bps
10-yr bond yield	6.14%	-1.32 bps
USDPHP	58.27	+0.12%
Oil (Brent, \$ / barrel)	76.30	-0.27%

Federal Reserve Governor Lisa Cook said that the Fed needs to proceed cautiously with further interest rate cuts, citing a resilient labor market and stickier-than-expected inflation. She added that the cuts made to date have reduced the restrictiveness of monetary policy.

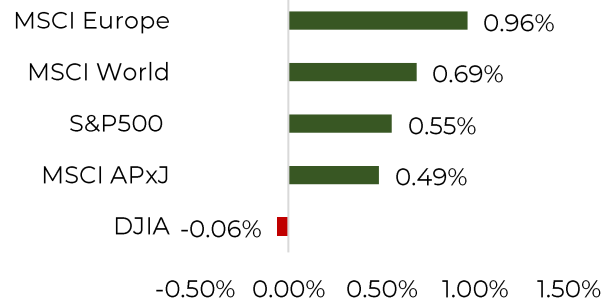
US factory orders fell by 0.4% MoM in November (Revised Oct.: +0.5%), lower than the consensus expectation of only a 0.3% decline. The weaker November data was weighed down by anemic demand for commercial aircraft and slow business spending on equipment.

US equities ended mixed as investors weighed cautious comments from several Fed officials and mixed reports on Trump's tariff plans ahead of his Presidential inauguration. The S&P 500 closed at 5,975.38 (+0.55% DoD) and the DJIA closed at 42,706.56 (-0.06% DoD).

US Treasury yields rose ahead of the release of November JOLTS Job Opening data and December nonfarm payrolls. On average, yields rose by 1.64 bps, with the 2Y closing at 4.28% (-0.40 bps) and the 10Y closing at 4.63% (+3.20 bps).

The **US dollar** weakened amid conflicting reports regarding the aggressiveness of Trump's tariff plans. The DXY closed at 108.26 (-0.64% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,975.38	+0.55%
DJIA	42,706.56	-0.06%
3-mo US Treasury yield	4.30%	-0.30 bps
2-yr US Treasury yield	4.28%	-0.40 bps
10-yr US Treasury yield	4.63%	+3.20 bps
DXY	108.26	-0.64%

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