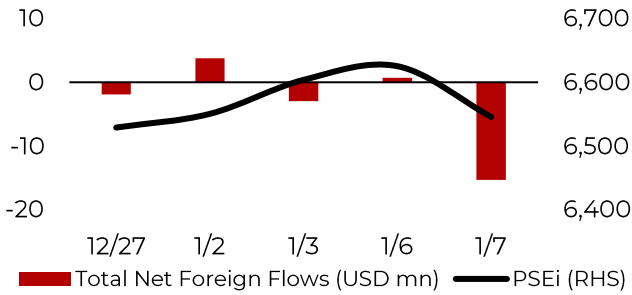


The Morning View

January 8, 2025

Philippine Stock Exchange Index

-1.20% DoD; Net foreign selling: \$15.37mn



The Philippine Statistics Authority reported that the local consumer price index (CPI) inflation accelerated to **2.9% YoY in December (Nov.: +2.5%)**. This was faster than the market's expectation of only a 2.6% rise. The December print was driven by higher food, utilities, and transport costs.

Nickel Asia Corp. (PSE Ticker: NIKL) looks to divest its stake in Coral Bay Nickel Corp. (CBNC) through a sale with its partner Sumitomo Metal Mining Co., Ltd. The proposed sale will include all of NIKL's shareholdings in CBNC, the operator of the Coral Bay high-pressure acid leach plant.

Local equities fell on profit-taking after a three-day market rally. The higher-than-expected local inflation reading for December also weighed down on investors' sentiment. The PSEi closed at 6,545.38 (-1.20% DoD).

Local fixed income yields ended mixed but rose on average after the local November inflation print surprised to the upside. On average, yields rose by 0.98 bps, with the 2Y closing at 6.03% (-2.20 bps) and the 10Y closing at 6.12% (-2.27 bps).

The **Philippine peso** slightly strengthened following the hotter-than-expected December Philippine CPI inflation print and conflicting news regarding US President-elect Trump's proposed tariffs. The USD/PHP pair closed at 58.19 (-0.15% DoD).

	Level	DoD
PSEi	6,545.38	-1.20%
3-mo bond yield	5.83%	+2.51 bps
2-yr bond yield	6.03%	-2.20 bps
10-yr bond yield	6.12%	-2.27 bps
USDPHP	58.19	-0.15%
Oil (Brent, \$ / barrel)	77.05	+0.98%

US job openings rose by 259,000 to 8.10 million in November, exceeding the market expectation of 7.74 million and signaling steady labor demand. However, hires fell by 125,000 to 5.27 million, reflecting employer caution in expanding staff. These data point to a labor market that is cooling but still healthy.

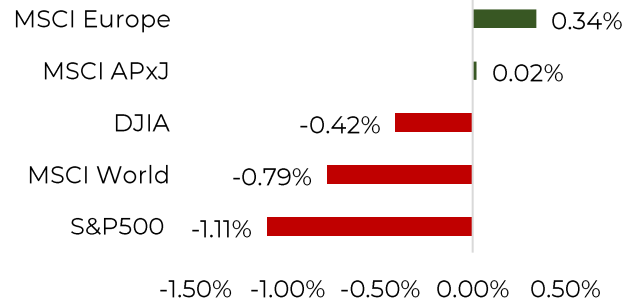
Euro zone flash harmonized CPI inflation accelerated to 2.4% YoY (Nov: 2.2%) in December due to higher energy and services costs. Meanwhile, core harmonized CPI remained steady at 2.7% YoY in the same period.

US equities fell as investors recalibrated their inflation and Fed rate cut expectations after the US ISM Services Purchasing Managers' Index (PMI) and JOLTS job openings data topped consensus estimates. The S&P 500 closed at 5,909.03 (-1.11% DoD) and the DJIA closed at 42,528.36 (-0.42% DoD).

US Treasury yields climbed as the ISM Services Price Index hit 64.4 in December, pointing toward potentially sticky inflation. This was also after the job openings data exceeded the market's expectations. On average, yields rose by 3.22 bps, with the 2Y closing at 4.30% (+1.60 bps) and the 10Y closing at 4.69% (+5.50 bps).

The **US dollar** strengthened after the latest US job openings and services PMI data came in above consensus. The DXY closed at 108.54 (+0.26% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,909.03	-1.11%
DJIA	42,528.36	-0.42%
3-mo US Treasury yield	4.31%	+0.80 bps
2-yr US Treasury yield	4.30%	+1.60 bps
10-yr US Treasury yield	4.69%	+5.50 bps
DXY	108.54	+0.26%

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