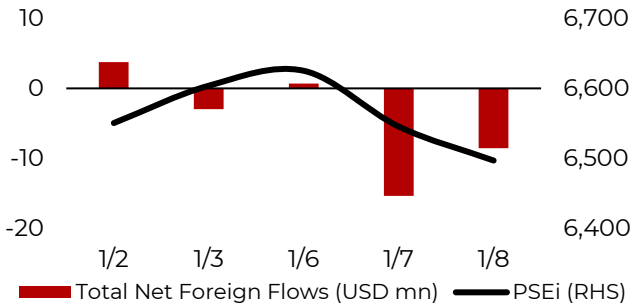


The Morning View

January 9, 2025

Philippine Stock Exchange Index

-0.74% DoD; Net foreign selling: \$8.57mn



	Level	DoD
PSEi	6,496.72	-0.74%
3-mo bond yield	5.82%	-1.70 bps
2-yr bond yield	5.99%	-3.91 bps
10-yr bond yield	6.14%	+1.95 bps
USDPHP	58.40	+0.36%
Oil (Brent, \$ / barrel)	76.18	-1.13%

The **Philippine Statistics Authority** reported that the **local unemployment rate dropped to a 5-month low of 3.2% in November (Oct.: 3.9%)**. The decline in unemployment rate was driven by holiday-related job hiring, with the biggest job increases coming from wholesale and retail trade.

JG Summit Holdings, Inc.'s (PSE Ticker: JGS) airline unit, Cebu Air, Inc. (PSE Ticker: CEB), secured a sustainability-linked loan, a first of its kind in Southeast Asia for low-cost carriers. The loan will help fund the acquisition of a brand-new Airbus A321 new engine option aircraft that CEB received last December.

Local equities ended lower as the stronger-than-anticipated November job openings and December services activity data in the US sparked concerns that the Fed may hold back from cutting rates this year. The PSEi closed at 6,496.72 (-0.74% DoD).

Local fixed income yields closed mixed but rose on average amid tempered Fed rate cut bets after the robust November US job openings report. On average, yields rose by 0.29 bps, with the 2Y closing at 5.99% (-3.91 bps) and the 10Y closing at 6.14% (+1.95 bps).

The **Philippine peso** weakened amid renewed inflation and rate cut concerns in the US after the stronger-than-expected November job openings data. The USD/PHP pair closed at 58.40 (+0.36% DoD).

The US Federal Reserve's December meeting minutes revealed concerns among Fed officials about inflation risks from Trump's policies, which could hinder disinflation progress and slow pace of rate cuts. In a separate commentary, Fed Governor Waller emphasized that the pace and scale of future rate reductions will depend on upcoming inflation data.

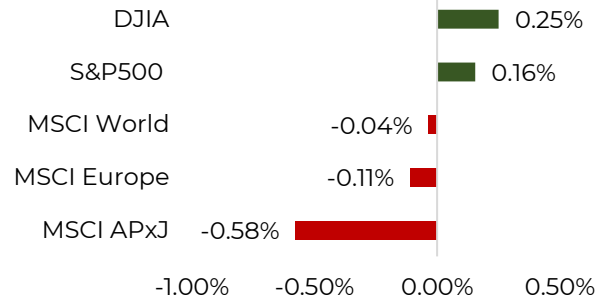
US weekly jobless claims declined to 201,000 for the week ended January 4 (Dec. 28: 211,000). This reading was less than market's expectations of 215,000 and marked the lowest level since February 2024, signaling a resilient labor market.

US equities inched up ahead of the release of the December US nonfarm payrolls report. Investors also assessed the hawkish December Fed meeting minutes. The S&P 500 closed at 5,918.25 (+0.16% DoD) and the DJIA closed at 42,635.20 (+0.25% DoD).

US Treasury yields closed mixed following reports that Trump considers to declare a national economic emergency to implement tariffs. On average, yields rose by 0.27 bps, with the 2Y closing at 4.29% (-0.80 bps) and the 10Y closing at 4.69% (+0.60 bps).

The **US dollar** strengthened on the back of the Fed's hawkish remarks in its latest meeting minutes and reports of a potential national emergency declaration of Trump. The DXY closed at 108.99 (+0.41% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,918.25	+0.16%
DJIA	42,635.20	+0.25%
3-mo US Treasury yield	4.32%	+0.50 bps
2-yr US Treasury yield	4.29%	-0.80 bps
10-yr US Treasury yield	4.69%	+0.60 bps
DXY	108.99	+0.41%

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