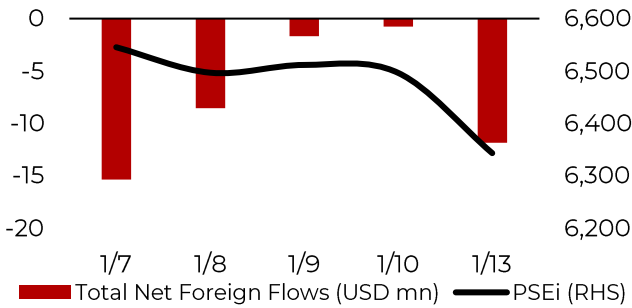


Philippine Stock Exchange Index

-2.36% DoD; Net foreign selling: \$11.87mn



	Level	DoD
PSEi	6,343.10	-2.36%
3-mo bond yield	5.69%	-6.21 bps
2-yr bond yield	5.96%	+0.09 bps
10-yr bond yield	6.19%	+4.16 bps
USDPHP	58.70	+0.58%
Oil (Brent, \$ / barrel)	81.01	+1.57%

The Department of Agriculture (DA) may lower the proposed price ceiling on imported rice amid weaker international prices.

The DA initially set the maximum suggested retail price of Php58 per kilogram of 5% broken rice. The price ceiling is expected to take effect on January 20, initially in Metro Manila.

Globe Telecom, Inc.'s (PSE Ticker: GLO) fintech arm, GCash, widened its presence in Japan as its international partner, Alipay+, collaborated with Japanese e-wallet PayPay.

The expanded coverage allowed GCash users to carry out cashless payments now in more than three million merchants in Japan.

Local equities declined as investors recalibrated their Fed rate cut bets after a slew of strong US labor data reinforced the resilience of the US labor market. The PSEi closed at 6,343.10 (-2.36% DoD).

Local fixed income yields climbed after robust US nonfarm payrolls and a lower US unemployment rate in December reinforced bets of slower Fed rate cuts. On average, yields rose by 1.28 bps, with the 2Y closing at 5.96% (+0.09 bps) and the 10Y closing at 6.19% (+4.16 bps).

The **Philippine peso** weakened after the stronger-than-expected US December nonfarm payrolls data and lower unemployment rate dampened hopes of large Fed rate cuts. The USD/PHP pair closed at 58.70 (+0.58% DoD).

European Central Bank (ECB) chief economist Philip Lane says the ECB can cut this year but must find a balance that neither induces a recession nor causes an undue delay in curbing inflation. He added that a key condition in controlling inflation would be to see a drop in services inflation.

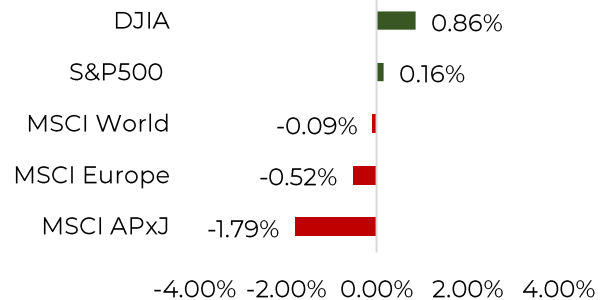
China's exports increased by 10.7% YoY, while imports inched up by 1.0% in December, both surpassing market expectations. Analysts attribute this growth to manufacturers expediting shipments ahead of potential trade risks from Trump's administration and the Lunar New Year.

US equities slightly rose as investors rotated into non-tech stocks. Gains were led by oil and gas stocks amid rising oil prices but were capped by the dip in tech shares. The S&P 500 closed at 5,836.22 (+0.16% DoD) and the DJIA closed at 42,297.12 (+0.86% DoD).

US Treasury yields went up ahead of the release of US producer price index (PPI) and consumer price index (CPI) inflation data. Investors also await speeches from several Fed officials this week. On average, yields rose by 1.31 bps, with the 2Y closing at 4.38% (+0.10 bps) and the 10Y closing at 4.78% (+2.10 bps).

The **US dollar** strengthened to a two-year high ahead of the release of US PPI and CPI inflation data. The DXY closed at 109.96 (+0.28% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,836.22	+0.16%
DJIA	42,297.12	+0.86%
3-mo US Treasury yield	4.33%	0.00 bps
2-yr US Treasury yield	4.38%	+0.10 bps
10-yr US Treasury yield	4.78%	+2.10 bps
DXY	109.96	+0.28%

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