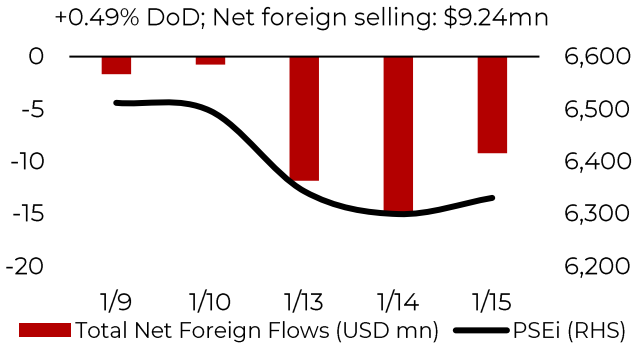


The Morning View

January 16, 2025

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,330.46	+0.49%
3-mo bond yield	5.60%	-2.80 bps
2-yr bond yield	5.94%	+0.27 bps
10-yr bond yield	6.29%	+6.44 bps
USDPHP	58.58	-0.08%
Oil (Brent, \$ / barrel)	82.03	+2.64%

Moody's Ratings expects the Philippine economy to grow by 6.1% in 2025. This was slower than the previous forecast of 6.2% last year. Moody's noted that rising employment and higher remittances would support household spending, and growth will be further supported by public and private investments.

Jollibee Foods Corporation (PSE Ticker: JFC) opened the first branch of Singapore's Tiong Bahru Bakery brand in the Philippines. The branch is located in Bonifacio Global City and is the first international branch of the Tiong Bahru Bakery brand.

Local equities rebounded amid bargain hunting after a three-day decline. Investors also digested the record-high vehicle sales in the country for the full year 2024. The PSEi closed at 6,330.46 (+0.49% DoD).

Local fixed income yields rose after the US producer price index (PPI) inflation accelerated to 3.3% in December. On average, yields rose by 1.62 bps, with the 2Y closing at 5.94% (+0.27 bps) and the 10Y closing at 6.29% (+6.44 bps).

The **Philippine peso** closed flat as local investors awaited the December US consumer inflation report to be released overnight. The USD/PHP pair closed at 58.58 (-0.08% DoD).

US consumer price index (CPI) inflation rose to 2.9% YoY in December (November: 2.7%), in line with consensus forecast of 2.9%. This was primarily driven by higher costs of energy. Meanwhile, Core CPI rose by 3.2% YoY in the same period (Nov: 3.3% YoY), below the market expectation of 3.3%.

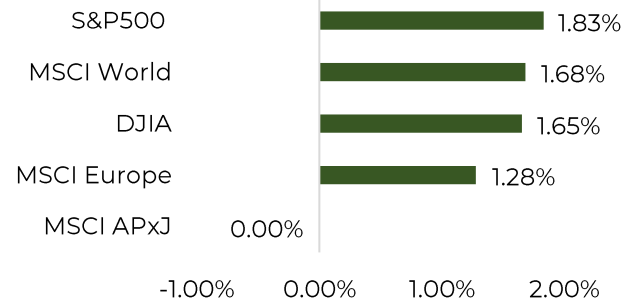
New York Federal Reserve President John Williams highlighted that future monetary policy decisions will rely on economic data amidst heightened uncertainties, especially around potential shifts in government policies. He noted that the current policy stance is well-positioned but stressed that the Fed will continue to monitor evolving economic conditions.

US equities rose on the back of the US December CPI inflation print coming in in-line with expectations. Major US banks also kicked off the 4Q24 earnings season with robust results. The S&P 500 closed at 5,949.91 (+1.83% DoD) and the DJIA closed at 43,221.55 (+1.65% DoD).

US Treasury yields fell as US CPI inflation data came in line with expectations and core inflation was softer-than-expected. On average, yields fell by 9.39 bps, with the 2Y closing at 4.27% (-10.10 bps) and the 10Y closing at 4.66% (-13.90 bps).

The **US dollar** weakened as investors digested the cooler US core inflation data. The DXY closed at 109.09 (-0.17% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,949.91	+1.83%
DJIA	43,221.55	+1.65%
3-mo US Treasury yield	4.31%	-1.10 bps
2-yr US Treasury yield	4.27%	-10.10 bps
10-yr US Treasury yield	4.66%	-13.90 bps
DXY	109.09	-0.17%

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