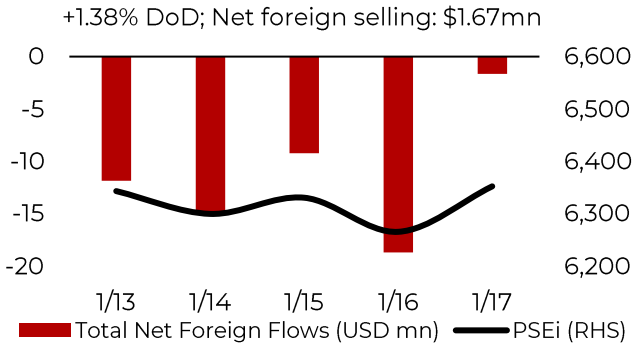


The Morning View

January 20, 2025

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,352.12	+1.38%
3-mo bond yield	5.50%	-4.38 bps
2-yr bond yield	5.95%	-0.22 bps
10-yr bond yield	6.33%	+0.59 bps
USD/PHP	58.64	+0.05%
Oil (Brent, \$ / barrel)	80.79	-0.62%

The International Monetary Fund (IMF) maintained its economic growth forecasts for the Philippines at **6.1% and 6.3% for 2025 and 2026, respectively**. The IMF said that growth would be driven by domestic consumption and investment, but warned of downside risks due to external shocks.

Wilcon Depot, Inc.'s (PSE Ticker: WLCON) Chief Operating Officer Ong said that the Company has a positive outlook for 2025 despite the headwinds in 2024. She noted that improved consumption and easing inflation could help sales recover and added that the Company will continue with its expansion plans.

Local equities rose on the back of bargain hunting after the previous day's sell-off. Moreover, the IMF's view that the Philippines would remain the second-fastest growing economy in Southeast Asia until 2026 also lifted market sentiment. The PSEi closed at 6,352.12 (+1.38% DoD).

Local fixed income yields ended mixed as investors weighed dovish remarks from Fed's Waller and a slew of robust US labor data. On average, yields fell by 1.15 bps, with the 2Y closing at 5.95% (-0.22 bps) and the 10Y closing at 6.33% (+0.59 bps).

The **Philippine peso** ended flattish as investors awaited the inauguration of US President-elect Donald Trump. The USD/PHP pair closed at 58.64 (+0.05% DoD).

The IMF projected a global economic growth of **3.3% for both 2025 and 2026**. The 2025 growth forecast was higher than the previous 3.2% projection due to a stronger-than-expected US economy. The IMF upgraded its US economic growth forecasts to 2.7% and 2.1% for 2025 and 2026, respectively. However, the IMF warned of risks relating to trade tariffs.

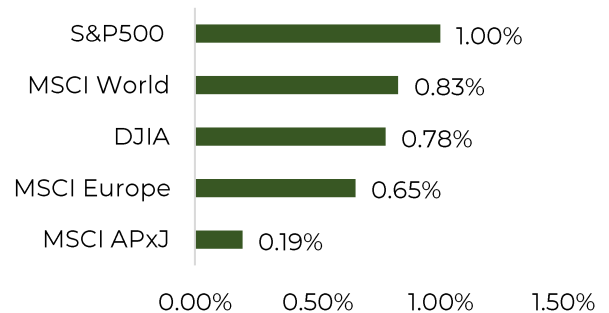
Economists expect the Federal Reserve to maintain interest rates at 4.25%-4.50% during its January monetary policy meeting, a Reuters poll showed. Approximately 60% of respondents anticipate a rate cut in March, with nearly 65% predicting two or fewer rate cuts throughout 2025.

US equities climbed ahead of Trump's presidential inauguration. Gains were led by big tech stocks such as Intel amid reports of a potential takeover of the firm. The S&P 500 closed at 5,996.66 (+1.00% DoD) and the DJIA closed at 43,487.83 (+0.78% DoD).

US Treasury yields rose as US manufacturing output accelerated by 0.6% MoM in December, beating consensus estimates. This was also ahead of Donald Trump's presidential inauguration. On average, yields rose by 1.92 bps, with the 2Y closing at 4.29% (+5.50 bps) and the 10Y closing at 4.63% (+1.40 bps).

The **US dollar** slightly strengthened ahead of Donald Trump's presidential inauguration. The DXY closed at 109.35 (+0.36% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,996.66	+1.00%
DJIA	43,487.83	+0.78%
3-mo US Treasury yield	4.30%	-0.50 bps
2-yr US Treasury yield	4.29%	+5.50 bps
10-yr US Treasury yield	4.63%	+1.40 bps
DXY	109.35	+0.36%

This material, which is strictly for information purposes only, is for your sole use, does not constitute a recommendation or an offer to sell or a solicitation to buy any financial product. Any information is subject to change without notice and BPI Wealth is not under any obligation to update or keep current the information contained herein. You are advised to make your own independent judgment with respect to the matter contained in this document. No liability whatsoever is accepted for any loss that may arise (whether direct or consequential) from any use of the information contained herein.

All funds managed by BPI Wealth are Trust and/or Investment Management Funds, which do not carry any guarantee of income or principal, and are NOT covered by the Philippine Deposit Insurance Corporation. Past performance is not a guarantee of future results. BPI Wealth Investment Funds are valued daily using the marked-to-market method.