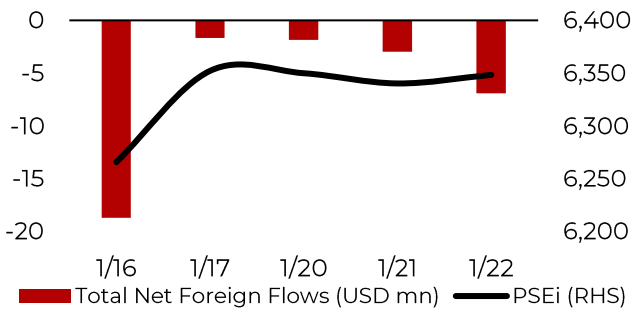


The Morning View

January 23, 2025

Philippine Stock Exchange Index

+0.13% DoD; Net foreign selling: \$6.90mn



	Level	DoD
PSEi	6,348.34	+0.13%
3-mo bond yield	5.30%	-0.27 bps
2-yr bond yield	5.90%	-2.72 bps
10-yr bond yield	6.28%	+1.16 bps
USDPHP	58.51	+0.03%
Oil (Brent, \$ / barrel)	79.00	-0.37%

The National Food Authority (NFA) sought an extra Php9 billion to procure domestically grown rice to add to its grain reserves this year. This is in compliance with Republic Act No. 12708, which raised the NFA rice reserve level from 9 days to 15 days. The additional 6 days of reserve will require NFA to obtain approximately 300,000 metric tons of unmilled rice.

SM Investments Corporation's (PSE Ticker: SM) retail arm, SM Retail Inc., tapped MPower, the retail electricity unit of Manila Electric Co. (PSE Ticker: MER), to power its largest Metro Manila establishments with 100% renewable energy. This initiative aligns with SM Retail's commitment to sustainability.

Local equities inched up, **local fixed income yields** closed mixed, and the **Philippine peso** closed flattish as investors assessed US President Donald Trump's planned policy changes following his inauguration. Moreover, investors' bargain hunting also lifted the local stock market.

The PSEi closed at 6,348.34 (+0.13% DoD).

On average, local fixed income yields fell by 0.40 bps, with the 2Y closing at 5.90% (-2.72 bps) and the 10Y closing at 6.28% (+1.16 bps).

The USD/PHP pair closed at 58.51 (+0.03% DoD).

US President Trump stated he would impose new tariffs on Russia as part of his sanctions threat if Russia fails to make a deal to end its war with Ukraine. He also hinted that these tariffs could extend to "other participating countries."

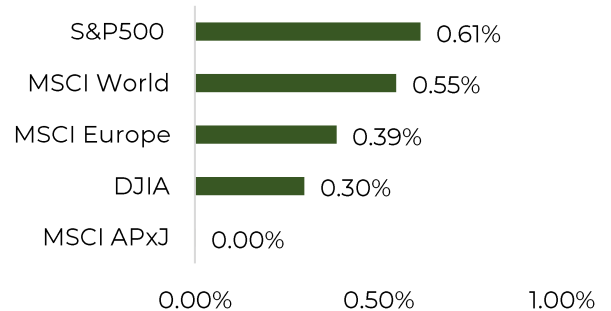
European Central Bank (ECB) President Christine Lagarde backed further policy easing, albeit at a gradual pace depending on data. Lagarde added that the ECB is not at risk of undershooting its 2% inflation target and gives more weight to risks of the impact of a weak euro.

US equities rose to near record-highs following strong earnings results from Netflix, United Airlines, and P&G. Investors also digested the planned \$500 billion AI infrastructure project of Oracle, Softbank and OpenAI. The S&P 500 closed at 6,086.37 (+0.61% DoD) and the DJIA closed at 44,156.73 (+0.30% DoD).

US Treasury yields climbed as investors weighed US President Trump's comment that he is considering to impose 25% tariffs on Mexico and Canada, as well as duties on imports from China and the European Union. On average, yields rose by 2.18 bps, with the 2Y closing at 4.30% (+2.60 bps) and the 10Y closing at 4.61% (+3.50 bps).

The **US dollar** slightly strengthened as investors assessed Trump's initial tariff announcements. The DXY closed at 108.17 (+0.10% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,086.37	+0.61%
DJIA	44,156.73	+0.30%
3-mo US Treasury yield	4.33%	+1.80 bps
2-yr US Treasury yield	4.30%	+2.60 bps
10-yr US Treasury yield	4.61%	+3.50 bps
DXY	108.17	+0.10%