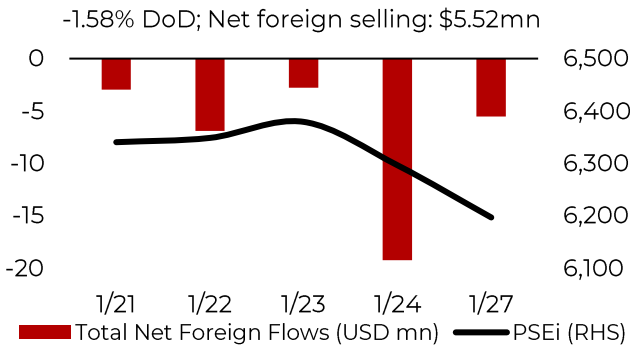


The Morning View

January 28, 2025

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,196.88	-1.58%
3-mo bond yield	5.22%	-9.69 bps
2-yr bond yield	5.89%	-0.41 bps
10-yr bond yield	6.26%	+1.41 bps
USDPHP	58.44	+0.21%
Oil (Brent, \$ / barrel)	77.08	-1.81%

Senate Bill No. 2865, or the Capital Markets Efficiency Promotion Act, was approved by the Senate on final reading.

This seeks to cut the tax on stock transactions from 0.6% to 0.1% to make the country's capital market more competitive with regional peers. The bill is expected to be reconciled in a bicameral conference committee with another counterpart bill passed by the House of Representatives in March.

Ayala Corp. (PSE Ticker: AC) signed a \$100-million financing deal with the Asian Development Bank to support its goal to develop an electric mobility ecosystem in the country. The project, led by AC's subsidiary AC Mobility Holdings, Inc., aims to install up to 1,700 electric vehicle charging stations nationwide.

Local equities fell to a 7-month low amid cautious sentiment ahead of the US Fed's policy meeting and the release of the Philippine 4Q24 economic growth data later this week. The PSEi closed at 6,196.88 (-1.58% DoD).

Local fixed income yields closed mixed ahead of the Fed's policy meeting. On average, yields fell by 3.09 bps, with the 2Y closing at 5.89% (-0.41 bps) and the 10Y closing at 6.26% (+1.41 bps).

The **Philippine peso** weakened amid renewed Trump tariff concerns following reports that the US may impose tariffs on Colombia. The USD/PHP pair closed at 58.44 (+0.21% DoD).

US new home sales rose by 3.6% MoM to 698,000 units in December, above market expectations, as customers took advantage of incentives by builders, such as mortgage rate "buydowns." Meanwhile, the median new house price increased 2.1% YoY to \$427,000, with a rising inventory of new homes tempering price growth.

Chinese startup DeepSeek claims that Artificial Intelligence (AI) models either match or outperform top US rivals at a fraction of the cost. Shares of US chip manufacturers such as Nvidia and TSMC fell by 17% and 13% overnight, respectively.

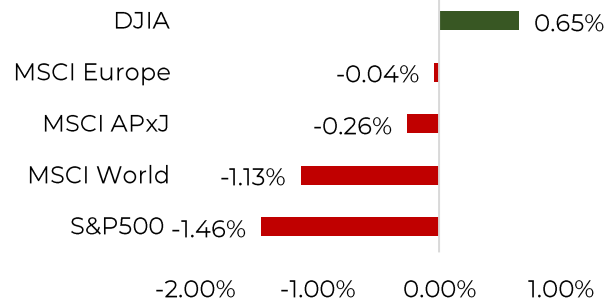
US equities were mixed, **US Treasury yields** fell, and the **US dollar** closed flattish as the emergence of low-cost Chinese AI startup DeepSeek sparked a steep US AI sell-off.

The S&P 500 closed at 6,012.28 (-1.46% DoD) and the DJIA closed at 44,713.58 (+0.65% DoD).

On average, US Treasury yields fell by 6.00 bps, with the 2Y closing at 4.20% (-6.60 bps) and the 10Y closing at 4.54% (-8.70 bps).

The DXY closed at 107.34 (-0.09% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,012.28	-1.46%
DJIA	44,713.58	+0.65%
3-mo US Treasury yield	4.30%	-1.10 bps
2-yr US Treasury yield	4.20%	-6.60 bps
10-yr US Treasury yield	4.54%	-8.70 bps
DXY	107.34	-0.09%

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.