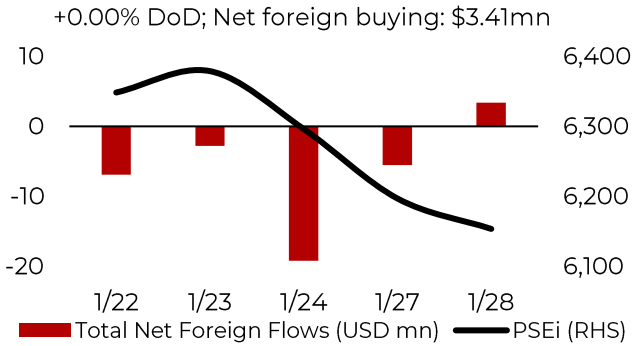


The Morning View

January 30, 2025

Philippine Stock Exchange Index



| | Level | DoD |
|--------------------------|----------|-----------|
| PSEi | 6,153.47 | -0.70% |
| 3-mo bond yield | 5.21% | -0.45 bps |
| 2-yr bond yield | 5.85% | -4.35 bps |
| 10-yr bond yield | 6.21% | -4.77 bps |
| USDPHP | 58.43 | -0.02% |
| Oil (Brent, \$ / barrel) | 77.49 | +0.53% |

The Bangko Sentral ng Pilipinas (BSP) signaled more rate cuts as inflation is expected to stay within the 2-4% target and growth outlook remains subdued, based on the December 2024 Monetary Policy Report. The Monetary Board reiterated that the BSP will maintain a measured approach in gradually reducing the target reverse repurchase rate.

Universal Robina Corporation (PSE Ticker: URC) is anticipating mid-to-high single-digit revenue growth in 2025, driven by value interventions aimed at boosting sales volume. Chief Executive Officer Irwin Lee added that the firm has allocated over Php8 billion for capital expenditures in 2025 to support growth.

Last Tuesday, **local equities** declined, **local fixed income yields**, dipped, and the **Philippine peso** ended flat ahead of the 4Q24 local Gross Domestic Product (GDP) data release and the US Fed's two-day policy meeting. On Wednesday, the markets were closed amid the Chinese New Year celebration.

The PSEi closed at 6,153.47 (-0.70% DoD).

On average, yields fell by 3.57 bps, with the 2Y closing at 5.85% (-4.35 bps) and the 10Y closing at 6.21% (-4.77 bps).

The USD/PHP pair closed at 58.43 (-0.02% DoD).

The US Federal Reserve kept its policy rate at 4.25%-4.50%, with Chair Jerome Powell signaling no urgency to cut rates again. He emphasized that officials are monitoring inflation, jobs data, and the impact of potential policy changes, particularly tariffs and immigration, before making further adjustments.

US trade deficit in goods widened to a record high in December as goods imports increased by \$10.8 billion (+3.9% YoY) and exports fell by \$7.8 billion (-4.5% YoY). This was attributable to businesses front-loading imports in anticipation of broad tariffs. Given this, Atlanta Federal Reserve downgraded its 4Q24 US GDP growth to a 2.3% annualized rate from a previous 3.2% estimate.

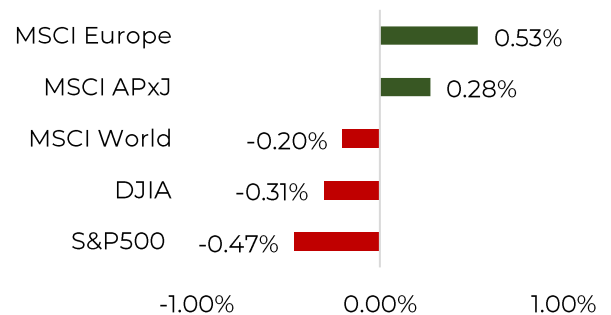
US equities declined, **US Treasury yields** were mixed, and the **US dollar** slightly strengthened following the US Fed's decision to keep rates steady in its January meeting. Investors also weighed cautious remarks from Fed Chair Powell who saw no rush to cut interest rates.

The S&P 500 closed at 6,039.31 (-0.47% DoD) and the DJIA closed at 44,713.52 (-0.31% DoD).

On average, US Treasury yields rose by 0.37 bps, with the 2Y closing at 4.22% (+1.90 bps) and the 10Y closing at 4.53% (-0.20 bps).

The DXY closed at 108.00 (+0.12% DoD).

Global Stock Indices



| | Level | DoD |
|-------------------------|-----------|-----------|
| S&P 500 | 6,039.31 | -0.47% |
| DJIA | 44,713.52 | -0.31% |
| 3-mo US Treasury yield | 4.30% | +0.20 bps |
| 2-yr US Treasury yield | 4.22% | +1.90 bps |
| 10-yr US Treasury yield | 4.53% | -0.20 bps |
| DXY | 108.00 | +0.12% |

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