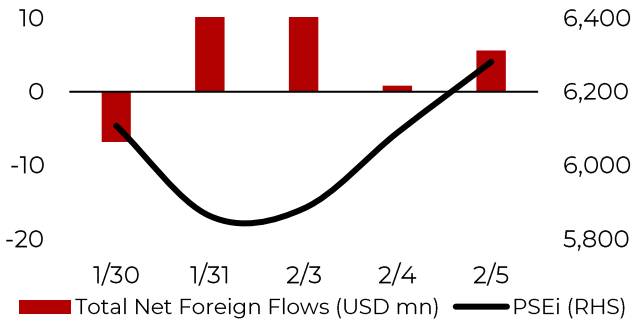


# The Morning View

February 6, 2025

## Philippine Stock Exchange Index

+3.15% DoD; Net foreign buying: \$5.61mn



	Level	DoD
PSEi	6,281.08	+3.15%
3-mo bond yield	5.23%	-0.27 bps
2-yr bond yield	5.76%	-0.24 bps
5-yr bond yield	5.93%	-3.06 bps
10-yr bond yield	6.15%	-6.88 bps
USDPHP	58.10	-0.42%
Oil (Brent, \$ / barrel)	74.61	-2.09%

**The Philippine Statistics Authority (PSA) reported that the local headline inflation was steady at 2.9% in January.** This was driven by faster food inflation, particularly vegetables and meat, which was partly offset by the slower rise in utility costs. Meanwhile, core inflation slowed to 2.6% in January (Dec.: 2.8%).

**International Container Terminal Services, Inc. (PSE Ticker: ICT) is enhancing the capacity of its Manila International Container Terminal (MICT) by building Berth 8.** This addition will increase MICT's annual capacity by 200,000 twenty-foot equivalent units (TEUs), bringing the total to 3.5 million TEUs.

**Local equities** climbed, **local fixed income yields** fell, and the **Philippine peso** strengthened following the steady January local headline inflation print and the weaker-than-expected December US job openings data. The local stock market was also lifted by the continued bargain-hunting by investors.

The PSEi closed at 6,281.08 (+3.15% DoD).

On average, local fixed income yields fell by 1.68 bps, with the 2Y closing at 5.76% (-0.24 bps) and the 10Y closing at 6.15% (-6.88 bps).

The USD/PHP pair closed at 58.10 (-0.42% DoD).

**US ADP private payrolls grew by 183,000 in January (Dec.: 176,000), above the market expectation of 150,000.** Job creations were driven entirely by service providers, while goods producers saw a decline in employment. Meanwhile, wages for employees who remained in their jobs increased at an annual rate of 4.7%.

**Chicago Fed President Austan Goolsbee warned of the potential inflationary impact of Trump's tariffs due to possible supply chain disruptions.** Goolsbee noted that this time, tariffs may apply to more countries or goods at higher rates compared to Trump's first administration.

**US equities** inched up as investors positioned ahead of the nonfarm payrolls data release. Gains were tempered by the weak sentiment on Alphabet's downbeat earnings and Advanced Micro Devices' negative guidance. The S&P 500 closed at 6,061.48 (+0.39% DoD) and the DJIA closed at 44,873.28 (+0.71% DoD).

**US Treasury yields** fell after US Treasury Secretary Bessent signaled that they will keep the auction sizes steady for the next several quarters. On average, yields fell by 5.77 bps, with the 2Y closing at 4.19% (-2.50 bps) and the 10Y closing at 4.42% (-9.50 bps).

The **US dollar** slightly weakened as investors weighed the lower-than-expected US ISM services purchasing managers' index in January. The DXY closed at 107.58 (-0.35% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	6,061.48	+0.39%
DJIA	44,873.28	+0.71%
3-mo US Treasury yield	4.33%	+0.80 bps
2-yr US Treasury yield	4.19%	-2.50 bps
5-yr US Treasury yield	4.25%	-7.00 bps
10-yr US Treasury yield	4.42%	-9.50 bps
DXY	107.58	-0.35%

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