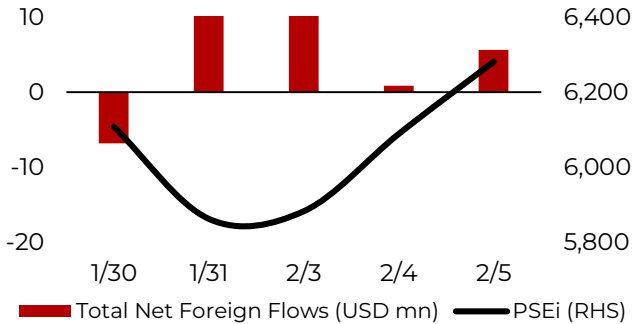


The Morning View

February 7, 2025

Philippine Stock Exchange Index

-0.62% DoD; Net foreign buying: \$3.07mn



	Level	DoD
PSEi	6,241.97	-0.62%
3-mo bond yield	5.23%	+0.53 bps
2-yr bond yield	5.76%	+0.20 bps
5-yr bond yield	5.91%	-1.49 bps
10-yr bond yield	6.12%	-2.94 bps
USDPHP	58.18	+0.15%
Oil (Brent, \$ / barrel)	74.29	-0.43%

The Philippine unemployment rate fell to 3.1% in December, the lowest level since April 2005, amid a surge in transport and storage sector hires during the holiday season. However, job quality slightly worsened as the underemployment rate rose to 10.9% (Dec 2023: 11.9%) from 10.8% in November.

RL Commercial REIT, Inc. (PSE Ticker: RCR) reported a 38% YoY increase in its unaudited net income to Php6.13 billion in FY2024. The growth was driven by steady occupancy rates and recent asset acquisitions. RCR declared a regular quarterly cash dividend of Php0.101 per common share based on 4Q24 earnings.

Local equities declined as investors took profit after the preceding three-day rally. Investors also weighed the recent impeachment of Vice-President Sara Duterte by the House of Representatives. The PSEi closed at 6,241.97 (-0.62% DoD).

Local fixed income yields closed mixed and the **Philippine peso** weakened as investors weighed cautious remarks from US Fed officials Goolsbee and Barkin. This was also following the stronger-than-expected US private payrolls data.

On average, yields fell by 0.67 bps, with the 2Y closing at 5.76% (+0.20 bps) and the 10Y closing at 6.12% (-2.94 bps).

The USD/PHP pair closed at 58.18 (+0.15% DoD).

US initial weekly jobless claims increased by 11,000 to a seasonally adjusted 219,000, above market expectations. The rise was attributable to the increased applications in New York and residual effects from the recent fires in California. Meanwhile, unit labor costs surged by 3.0% QoQ in 4Q24 (3Q24: 0.5%).

A Boston Fed report showed that Trump's tariffs may raise inflation by 0.8 percentage point, as measured by the personal consumption expenditures price index. Boston Fed President Collins warned that broad-based tariffs may cause an increase in prices for both intermediate and final goods.

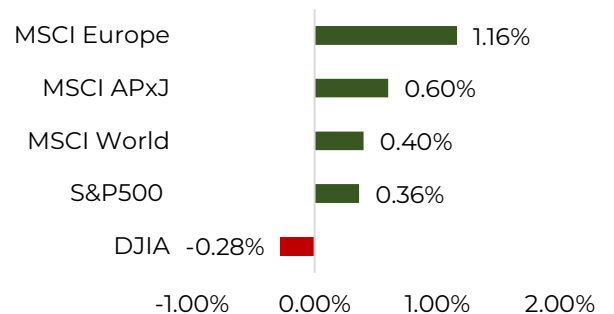
US equities closed mixed, **US Treasury yields** rose, and the **US dollar** slightly strengthened ahead of the nonfarm payrolls data release. Investors also weighed a slew of US jobs data, cautious remarks from Fed officials, and mixed earnings results from Eli Lilly, Tapestry, Philip Morris International, and Honeywell.

The S&P 500 closed at 6,083.57 (+0.36% DoD) and the DJIA closed at 44,747.63 (-0.28% DoD).

On average, yields rose by 1.29 bps, with the 2Y closing at 4.22% (+2.50 bps) and the 10Y closing at 4.44% (+1.60 bps).

The DXY ended at 107.69 (+0.10% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,083.57	+0.36%
DJIA	44,747.63	-0.28%
3-mo US Treasury yield	4.33%	+0.20 bps
2-yr US Treasury yield	4.22%	+2.50 bps
5-yr US Treasury yield	4.28%	+2.60 bps
10-yr US Treasury yield	4.44%	+1.60 bps
DXY	107.69	+0.10%

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