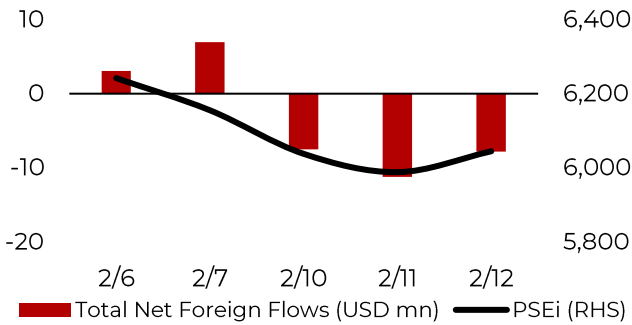


The Morning View

February 13, 2025

Philippine Stock Exchange Index

+0.94% DoD; Net foreign selling: \$7.83mn



| | Level | DoD |
|--------------------------|----------|-----------|
| PSEi | 6,044.13 | +0.94% |
| 3-mo bond yield | 5.16% | +1.95 bps |
| 2-yr bond yield | 5.78% | -0.43 bps |
| 5-yr bond yield | 5.92% | +0.28 bps |
| 10-yr bond yield | 6.11% | +0.53 bps |
| USDPHP | 58.19 | 0.00% |
| Oil (Brent, \$ / barrel) | 75.18 | -2.36% |

Outstanding loans of universal and commercial banks jumped by 12.2% YoY to Php13.14 trillion in December, the fastest pace of increase in two years. Loans for production expanded by 10.8% YoY to Php11.22 trillion, while consumer loans rose 25.0% YoY to Php1.59 trillion.

JG Summit Holdings, Inc. (PSE Ticker: JGS) and its subsidiary Universal Robina Corp. (PSE Ticker: URC) will be removed from the MSCI Philippines Index (large-cap) and included in the MSCI Philippines Small Cap Index. Monde Nissin Corp. (PSE Ticker: MONDE) will also be added to the small cap index. The changes will take effect on February 28, 2025.

Local equities slightly rose, **local fixed income yields** ended mixed, and the **Philippine peso** closed flat ahead of the January US consumer price index (CPI) inflation reading and the Bangko Sentral ng Pilipinas' (BSP) policy decision. The local stock market also gained amid investors' bargain-hunting.

The PSEi closed at 6,044.13 (+0.94% DoD).

On average, yields rose by 0.33 bps, with the 2Y closing at 5.78% (-0.43 bps) and the 10Y closing at 6.11% (+0.53 bps).

The USD/PHP pair closed at 58.19 (0.00% DoD).

US consumer price index (CPI) inflation accelerated to 3.0% YoY in January (Dec.: 2.9%), above market expectation of 2.9%. The faster print was driven by higher energy costs and food prices. Meanwhile, core CPI inflation accelerated more than expected by 3.3% YoY (Dec.: 3.2%; Consensus: 3.1%), as shelter costs remained sticky.

US Federal Reserve Chair Jerome Powell said that the latest inflation data show that the Fed's fight over inflation is not over yet and further rate cuts would have to wait until it is clear that inflation will return to the 2% target. He cautioned that the latest data should not be taken as a signal that progress on inflation is reversing.

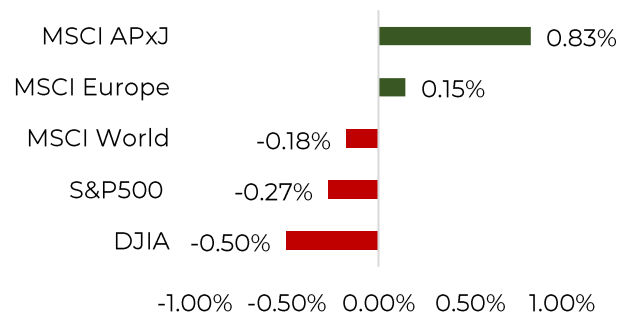
US equities declined, **US Treasury yields** climbed, and the **US dollar** closed flattish as investors digested the faster-than-expected US inflation print in January which tempered market's expectations of future rate cuts.

The S&P 500 closed at 6,051.97 (-0.27% DoD) and the DJIA closed at 44,368.56 (-0.50% DoD).

On average, yields rose by 6.46 bps, with the 2Y closing at 4.36% (+6.70 bps) and the 10Y closing at 4.63% (+9.20 bps).

The DXY closed at 107.94 (-0.02% DoD).

Global Stock Indices



| | Level | DoD |
|-------------------------|-----------|-----------|
| S&P 500 | 6,051.97 | -0.27% |
| DJIA | 44,368.56 | -0.50% |
| 3-mo US Treasury yield | 4.34% | +0.50 bps |
| 2-yr US Treasury yield | 4.36% | +6.70 bps |
| 5-yr US Treasury yield | 4.47% | +9.60 bps |
| 10-yr US Treasury yield | 4.63% | +9.20 bps |
| DXY | 107.94 | -0.02% |

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