

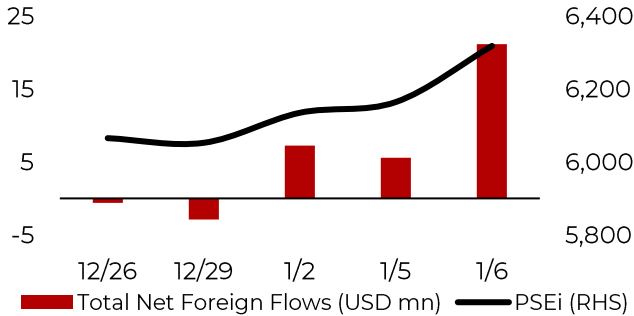


The Morning View

January 7, 2026

Philippine Stock Exchange Index

+2.49% DoD; Net foreign buying: \$21.13mn



	Level	DoD
PSEi	6,317.91	+2.49%
3-mo bond yield	4.81%	-2.68 bps
2-yr bond yield	5.34%	-1.27 bps
5-yr bond yield	5.78%	-1.09 bps
10-yr bond yield	6.02%	-3.97 bps
USDPHP	59.21	+0.14%
Oil (Brent, \$ / barrel)	60.70	-1.72%

BSP Governor Eli Remolona, Jr. said that a February rate cut is on the table. He noted that the latest December inflation print of 1.8% YoY is a “reasonably low rate,” and that Philippine growth likely fell below the government’s target. Lastly, he stated that if growth falls below 5% in 2026, there may be grounds for one more additional cut.

Jollibee Foods Corporation (PSE Ticker: JFC) announced that it plans to spin off its international operations and pursue a listing on a major US stock exchange. The transaction is intended to be executed in late 2027. Upon implementation, current JFC shareholders are expected to receive shares in the new US-listed entity Jollibee Foods Corporation International.

Local equities climbed, **local fixed income yields** fell, and the **Philippine peso** weakened after BSP Governor Remolona signaled that a rate cut in February is on the table. Gains in the local bourse were led by large-cap names such as JFC, following plans of spinning off its international business and listing it on the US stock exchange.

The PSEi closed at 6,317.91 (+2.49% DoD).

On average, yields fell by 0.31 bps, with the 2Y closing at 5.34% (-1.27 bps) and the 10Y closing at 6.02% (-3.97 bps).

The USD/PHP pair closed at 59.21 (+0.14% DoD).

Richmond Fed President Thomas Barkin stated that the policy rate is likely within the range of the neutral rate. He added that the policy outlook remains in a “delicate balance” between rising unemployment and still-high inflation. Meanwhile, Fed Governor Stephen Miran said that the policy rate is still restrictive and called for 100 bps of cuts in 2026 to support economic growth.

US S&P Global Services Purchasing Managers’ Index (PMI) slipped to 52.5 in December (Nov.: 54.1). While the reading stayed above 50, which indicates expansion, it was the lowest level since April. The decline reflected cooling demand conditions, alongside tariff-driven increases in input costs and selling prices.

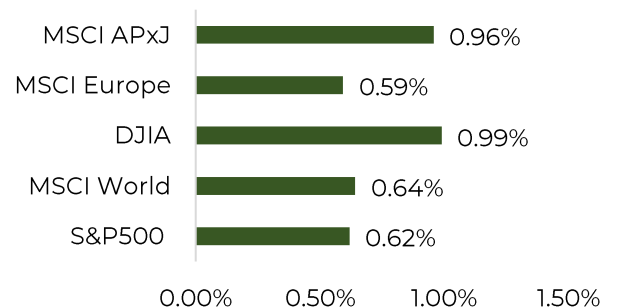
US equities rose to fresh highs amid renewed optimism on Artificial Intelligence (AI) following comments from Nvidia CEO Huang that the company’s next generation of AI chips is now in “full production.” The S&P 500 closed at 6,944.82 (+0.62% DoD), while the DJIA ended at 49,462.08 (+0.99% DoD).

US Treasury yields rose ahead of the December private payrolls, job openings, nonfarm payrolls, and unemployment rate reports this week. On average, yields rose by 0.23 bps, with the 2Y closing at 3.47% (+1.20 bps) and the 10Y closing at 4.18% (+1.20 bps).

The **US dollar** strengthened as the euro weakened after the softer inflation in Germany and France in December, which supported the view of that the European Central Bank could hold rates steady.

The DXY closed at 98.58 (+0.32% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,944.82	+0.62%
DJIA	49,462.08	+0.99%
3-mo US Treasury yield	3.59%	-0.80 bps
2-yr US Treasury yield	3.47%	+1.20 bps
5-yr US Treasury yield	3.72%	+0.90 bps
10-yr US Treasury yield	4.18%	+1.20 bps
DXY	98.58	+0.32%

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