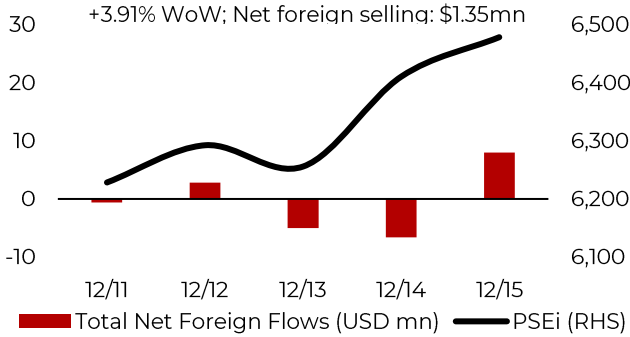


The Weekly Review

DECEMBER 18, 2023

Philippine Stock Exchange Index



	Level	WoW
PSEi	6,478.44	+3.91%
3-mo bond yield	5.37%	+12.74 bps
2-yr bond yield	5.98%	-4.44 bps
10-yr bond yield	6.07%	-10.30 bps
USDPHP	55.655	+0.64%
Oil (Brent, \$ / barrel)	76.55	+0.94%

The local equity market rallied to its highest close in four months amid optimism after the Bangko Sentral ng Pilipinas (BSP) and the US Federal Reserve kept their key interest rates steady.

Top performers were Ayala Corporation (PSE Ticker: AC; 14.84%), SM Investments Corp. (SM; 9.69%), and JG Summit Holdings, Inc. (JGS; 8.47%). Meanwhile, Century Pacific Food, Inc. (PSE Ticker: CNPF; -1.84%), ACEN Corp. (ACEN; -4.35%), and Puregold Price Club, Inc. (PGOLD; -4.40%) were the laggards of the week.

▲ The PSEi closed at 6,478.44 (+3.91% WoW).

Local fixed income yields were mixed but declined on average after the US Fed and the BSP held rates steady during their policy meetings last week.

▼ On average, yields fell by 2 bps, with the 2Y closing at 5.98% (-6 bps) and the 10Y closing at 6.07% (-10 bps).

The Philippine Peso weakened as investors digested the country's trade deficit data which widened to \$4.2 billion in October amid the sharp decline in exports.

▲ USD/PHP pair closed at 55.66 (+0.64% WoW).

US equities rose to new record highs as investors cheered the upbeat retail sales data and slower CPI print in November. US CPI inflation slowed to 3.1% in November from 3.2% in October. In addition, the Fed's rate pause, which supported expectations that interest rates have already peaked, also lifted market sentiment.

▲ S&P 500 closed at 4,719.19 (+2.49% WoW).
▲ DJIA closed at 37,305.16 (+2.92% WoW).

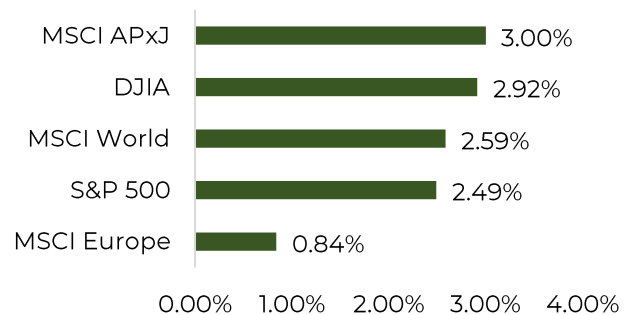
US Treasury yields declined after the US Federal Reserve decided to keep rates unchanged and signaled the possibility of three and four 25-bp rate cuts in 2024 and 2025, respectively.

▼ On average, US Treasury yields fell by 23 bps WoW, with the 10Y closing at 3.91% (-32 bps).

The **US dollar** weakened as investors focused on the US Fed's latest policy decision to maintain its policy rate steady at 5.25% to 5.50%. The Fed also signaled the possibility of more rate cuts next year.

▼ The DXY closed at 102.55 (-1.40% WoW).

Global Stock Indices



	Level	WoW
S&P 500	4,719.19	+2.49%
DJIA	37,305.16	+2.92%
3-mo US Treasury yield	5.39%	-0.30 bps
2-yr US Treasury yield	4.45%	-27.40 bps
10-yr US Treasury yield	3.91%	-31.50 bps
DXY	102.55	-1.40%