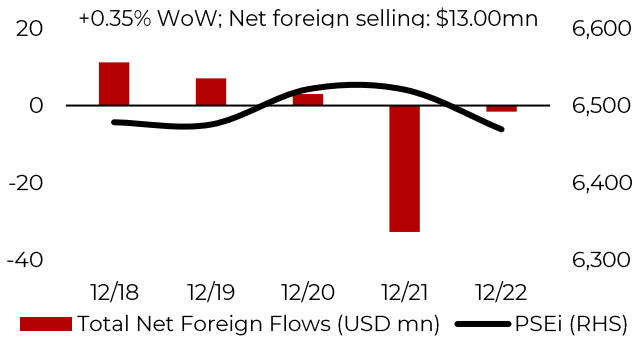


The Weekly Review

DECEMBER 27, 2023

Philippine Stock Exchange Index



	Level	WoW
PSEi	6,501.00	+0.35%
3-mo bond yield	5.16%	-1.34 bps
2-yr bond yield	5.93%	-5.26 bps
10-yr bond yield	5.97%	-9.86 bps
USDPHP	55.40	-0.46%
Oil (Brent, \$ / barrel)	79.07	+3.29%

The local equity market rose as expectations of potential rate cuts next year from the US Federal Reserve and the Bangko Sentral ng Pilipinas (BSP) lifted market sentiment.

Top performers were Puregold Price Club Inc. (PSE Ticker: PGOLD; +6.91%), Wilcon Depot, Inc. (WLCON; +5.39%), and GT Capital Holdings, Inc. (GTCAP; +3.57%). Meanwhile, Alliance Global Group, Inc. (PSE Ticker: AGI; -3.47%), Universal Robina Corporation (URC; -3.69%), and ACEN Corp. (ACEN; -5.68%) were the laggards of the week.

▲ The PSEi closed at 6,501.00 (+0.35% WoW).

Local fixed income yields fell ahead of the November PCE inflation data release in the US. This was despite hawkish comments from BSP Governor Remolona stating that the local central bank will unlikely start cutting rates in the next few months.

▼ On average, yields fell by 7 bps, with the 2Y closing at 5.93% (-7 bps) and the 10Y closing at 5.97% (-10 bps).

The Philippine Peso strengthened as investors digested upbeat Overseas Filipino Workers' (OFW) remittances data and hawkish comments from the BSP. OFW cash remittances hit a 10-month high and rose by 3.0% YoY to \$3.0 billion in October.

▼ USD/PHP pair closed at 55.40 (-0.46% WoW).

US equities rose as investors digested the cooling inflation data and the downward revision of 3Q23 US GDP growth to 4.9%, which boosted prospects of Fed rate cuts next year. US core PCE inflation slowed to 3.2% YoY in November from 3.4% in October, driven by lower food and energy prices.

▲ S&P 500 closed at 4,754.63 (+0.75% WoW).

▲ DJIA closed at 37,385.97 (+0.22% WoW).

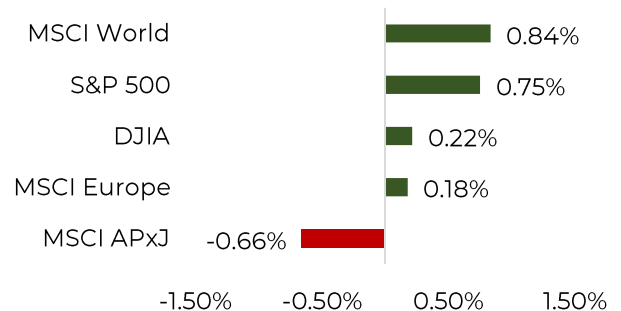
US Treasury yields declined as investors parsed through cooling labor market and inflation data, which supported expectations that the US Fed could potentially deliver rate cuts next year.

▼ On average, US Treasury yields fell by 2 bps WoW, with the 10Y closing at 3.90% (-2 bps).

The **US dollar** weakened as investors continued to anticipate rate cuts from the Fed next year following the downward revision of US third quarter GDP growth to 4.9% and cooling inflation data.

▼ The DXY closed at 101.70 (-0.83% WoW).

Global Stock Indices



	Level	WoW
S&P 500	4,754.63	+0.75%
DJIA	37,385.97	+0.22%
3-mo US Treasury yield	5.39%	-0.10 bps
2-yr US Treasury yield	4.33%	-12.40 bps
10-yr US Treasury yield	3.90%	-1.60 bps
DXY	101.70	-0.83%