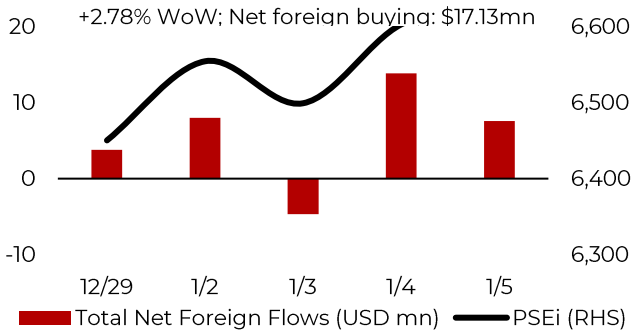


The Weekly Review

JANUARY 8, 2024

Philippine Stock Exchange Index



	Level	WoW
PSEi	6,629.64	+2.78%
3-mo bond yield	5.23%	-1.73 bps
2-yr bond yield	5.91%	-0.62 bps
10-yr bond yield	6.12%	+11.84 bps
USDPHP	55.57	+0.36%
Oil (Brent, \$ / barrel)	78.76	+2.23%

The local equity market gained as PH inflation decelerated to 3.9%, settling within the central bank's target of 2-4% for the first time since March 2022.

Top performers were JG Summit Holdings, Inc. (PSE Ticker: JGS; 12.45%), Wilcon Depot, Inc. (WLCON; 12.44%), and Converge Information and Communications Technology Solutions, Inc. (CNVRG; 12.41%). Meanwhile Ayala Land, Inc. (ALI; -0.44%), and Nickel Asia Corporation (NIKL; -6.02%) were the laggards of the week.

▲ The PSEi closed at 6,629.64 (+2.78% WoW).

Local fixed income yields were mixed but rose on average as investors digested the cooling December local inflation report and waited for the US CPI inflation data release. There was also a new 30-year bond issuance by the Bureau of the Treasury last week.

▲ On average, yields rose by 6 bps, with the 2Y closing at 5.91% (-1 bp) and the 10Y closing at 6.12% (+12 bps).

The Philippine peso weakened amid the continued decline in global oil prices and easing remittances after the holiday season. The better-than-expected jobs data also supported a stronger dollar.

▲ USD/PHP pair closed at 55.57 (+0.36% WoW).

US equities declined on extended profit-taking by investors from last year's highs. Investors also weighed the Fed's minutes of the meeting as well as stronger-than-expected labor data which raised uncertainty about the timing of Fed rate cuts. December ADP private payrolls rose to 164,000 jobs, beating consensus estimate of 125,000 jobs.

▼ S&P 500 closed at 4,697.24 (-1.52% WoW).

▼ DJIA closed at 37,466.11 (-0.59% WoW).

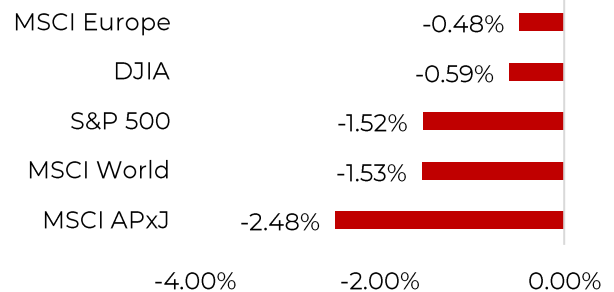
US Treasury yields rose on average on fading rate cut optimism, the Fed minutes release, and stronger-than-expected employment and wage growth data.

▲ On average, US Treasury yields rose by 9 bps WoW, with the 10Y closing at 4.00% (+12 bps).

The **US dollar** strengthened amid tempered rate cut expectations from the US Fed this year. Investors also digested the less dovish December Fed minutes and stronger-than-expected labor data.

▲ The DXY closed at 102.41 (+1.06% WoW).

Global Stock Indices



	Level	WoW
S&P 500	4,697.24	-1.52%
DJIA	37,466.11	-0.59%
3-mo US Treasury yield	5.40%	+4.70 bps
2-yr US Treasury yield	4.39%	+13.50 bps
10-yr US Treasury yield	4.00%	+12.20 bps
DXY	102.41	+1.06%