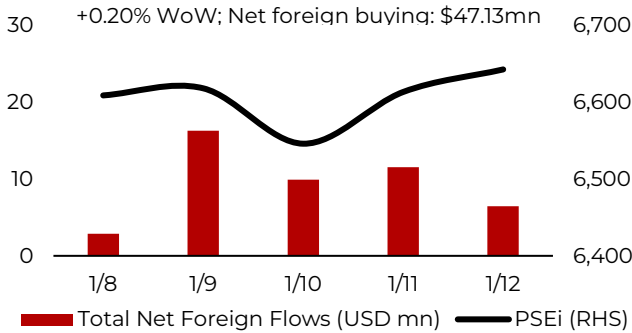


The Weekly Review

JANUARY 15, 2024

Philippine Stock Exchange Index



	Level	WoW
PSEi	6,643.18	+0.20%
3-mo bond yield	5.34%	+11.05 bps
2-yr bond yield	5.91%	-0.09 bps
10-yr bond yield	6.24%	+11.97 bps
USDPHP	55.911	+0.61%
Oil (Brent, \$ / barrel)	78.29	-0.60%

The local equity market rose slightly as strong labor data boosted sentiment. PH unemployment rate hit 3.6% in November, the lowest figure since 2005.

Top performers were San Miguel Corp. (PSE Ticker: SMC; +10.4%), Century Pacific Food Inc (CNPFI; +7.3%), and Metropolitan Bank & Trust (MBT; +5.42%). Meanwhile, Ayala Corporation (PSE Ticker: AC; -4.36%), Manila Electric Company (MER; -4.76%), and JG Summit Holdings Inc (JGS; -6.29%) were the laggards of the week.

▲ The PSEi closed at 6,643.18 (+0.20% WoW).

Local fixed income yields ended mixed amid uncertainties on the path ahead for policy rates. While US core inflation settled with expectations, the US Headline CPI print came out faster-than-expected and rose 3.4% YoY in December.

▲ On average, yields rose by 6 bps, with the 2Y closing at 5.91% (-1 bp) and the 10Y closing at 6.24% (+12 bps).

The Philippine peso weakened after the country's trade gap widened to a seven-month high of \$4.69 billion in November. Investors also digested Monetary Board member Diokno's remarks that the central bank may cut rates by up to 100 bps this year.

▲ USD/PHP pair closed at 55.91 (+0.61% WoW).

The US stock markets rose as investors weighed the below-consensus US Producer Price Index (PPI) and the within-expectation US Core Consumer Price Index (CPI) report in December. US Core CPI rose by 0.3% MoM, while the US PPI fell by 0.1% MoM. Investors also digested the fresh batch of earnings releases.

▲ S&P 500 closed at 4,783.83 (+1.84% WoW).

▲ DJIA closed at 37,592.98 (+0.34% WoW).

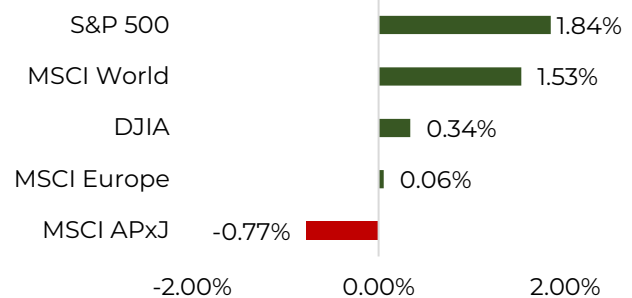
US Treasury yields fell on average as US core inflation settled within expectations while US PPI inflation accelerated less than expected. These supported views for a rate cut from the Fed this year.

▼ On average, US Treasury yields declined by 10 bps WoW, with the 10Y closing at 3.94% (-11 bps).

The **US dollar** was flat as gains from safe-haven demand amid heightened geopolitical concerns in the Middle East were offset by mixed US inflation data for December.

▼ The DXY closed at 102.40 (-0.01% WoW).

Global Stock Indices



	Level	WoW
S&P 500	4,783.83	+1.84%
DJIA	37,592.98	+0.34%
3-mo US Treasury yield	5.38%	-1.10 bps
2-yr US Treasury yield	4.15%	-23.70 bps
10-yr US Treasury yield	3.94%	-10.50 bps
DXY	102.40	-0.01%