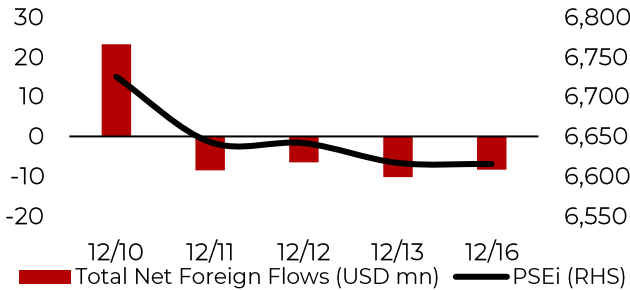


# The Morning View

December 17, 2024

## Philippine Stock Exchange Index

-0.02% DoD; Net foreign selling: \$8.43mn



	Level	DoD
PSEi	6,615.16	-0.02%
3-mo bond yield	5.84%	-0.45 bps
2-yr bond yield	5.93%	-1.30 bps
10-yr bond yield	5.95%	+3.22 bps
USDPHP	58.67	+0.34%
Oil (Brent, \$ / barrel)	73.91	-0.78%

**Bangko Sentral ng Pilipinas (BSP) Deputy Governor Francisco G. Dakila, Jr. says that the pace of policy easing should be considered very carefully.** Dakila noted that the market's expectations for Fed rate cuts in 2025 have been tempered from 100 bps to 50 bps. However, he emphasized prioritizing domestic data for decisions.

**ACEN Corporation (PSE Ticker: ACEN) plans to operationalize 1.2 gigawatts (GW) of renewable energy projects by 2025.** Key projects include the 160-megawatt (MW) Pagudpud Wind project, the 60-MW Pangasinan Solar project, the 520-MW Stubbo Solar in Australia, and the 146-MW Monsoon Wind in Laos.

**Local equities** closed flat amid cautious trading ahead of the BSP and the US Federal Reserve's December policy meetings. The PSEi closed at 6,615.16 (-0.02% DoD).

**Local fixed income yields** ended mixed ahead of the US Fed and the BSP's December policy decisions. On average, yields rose by 0.55 bps, with the 2Y closing at 5.93% (-1.30 bps) and the 10Y closing at 5.95% (+3.22 bps).

The **Philippine peso** weakened amid the market's expectations of a slower pace of Fed rate cuts next year. The USD/PHP pair closed at 58.67 (+0.34% DoD).

## The US S&P flash Composite Purchasing Managers' Index (PMI) climbed to 56.6 in December (November: 54.9, consensus: 55.1).

This marked its highest level in nearly three years, driven by robust growth in the services sector, which had offset the continued decline in manufacturing output.

## The Institute for Supply Management (ISM) survey showed that purchasing and supply executives expect the US manufacturing sector to emerge from a prolonged slowdown in 2025.

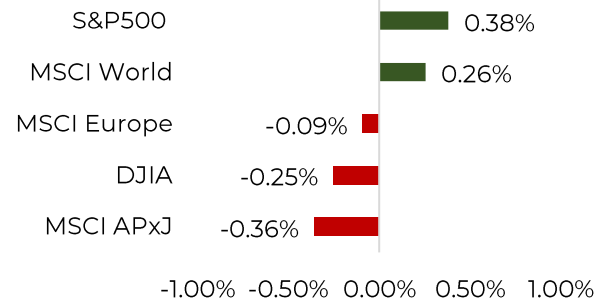
Respondents expect raw material pricing pressure to ease, while wages and employment will continue to grow.

**US equities** ended mixed as investors braced for the policy decision of the Federal Reserve this week. The S&P 500 closed at 6,074.08 (+0.38% DoD) and the DJIA closed at 43,717.48 (-0.25% DoD).

**US Treasury yields** ended flat as investors looked ahead to the final meeting of the Fed. On average, yields rose by 0.02 bps, with the 2Y closing at 4.25% (+0.40 bps) and the 10Y closing at 4.40% (+0.20 bps).

The **US dollar** slightly weakened as the US S&P Global Manufacturing PMI Flash data of 48.3 in December continues to indicate a contraction. Investors also remained cautious ahead of the Fed's policy meeting. The DXY closed at 106.86 (-0.14% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	6,074.08	+0.38%
DJIA	43,717.48	-0.25%
3-mo US Treasury yield	4.32%	-1.00 bps
2-yr US Treasury yield	4.25%	+0.40 bps
10-yr US Treasury yield	4.40%	+0.20 bps
DXY	106.86	-0.14%

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