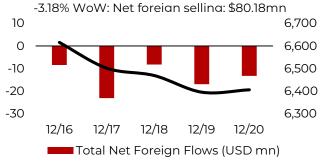


## **The Weekly Review**

December 23, 2024

## Philippine Stock Exchange Index



|                          | Level    | WoW        |
|--------------------------|----------|------------|
| PSEi                     | 6,406.38 | -3.18%     |
| 3-mo bond yield          | 5.94%    | +10.43 bps |
| 2-yr bond yield          | 6.00%    | +5.74 bps  |
| 10-yr bond yield         | 6.01%    | +9.29 bps  |
| USDPHP                   | 58.81    | +0.58%     |
| Oil (Brent, \$ / barrel) | 72.94    | -2.08%     |

**Local equities fell** as the weaker peso and the US Federal Reserve's tempered rate cut outlook for 2025 dampened investors' sentiment.

Top performers were ACEN Corp. (PSE Ticker: ACEN; +6.78%), JG Summit Holdings Inc. (JGS; +4.48%), and Nickel Asia Corp. (NIKL; +0.32%). Meanwhile, Ayala Land Inc. (PSE Ticker: ALI; -6.77%), Bank of the Philippine Islands (BPI; -7.95%), and Bloomberry Resorts Corp. (BLOOM; -8.69%) were the laggards of the week.

▼ The PSEi closed at 6,406.38 (-3.18% WoW).

**Local fixed income yields rose** after the US Federal Reserve reduced its rate cut projections for 2025 to just two 25-bp cuts from previously four. Investors also digested the upward revision of US' 3Q24 economic growth to 3.1% from 2.8%.

▲ On average, yields rose by 10 bps, with the 2Y closing at 6% (+6 bps) and the 10Y closing at 6.01% (+9 bps).

**The Philippine peso weakened** as the local market digested the US Fed's signal of fewer rate cuts next year. Traders also assessed the wider balance of payments deficit of \$2.28 billion in November.

▲ The USD/PHP pair closed at 58.81 (+0.58% WoW).

**US equities declined** as investors digested the US Fed's updated economic projections which showed fewer rate cuts and faster inflation expectations for 2025.

- ▼ S&P 500 closed at 5,930.85 (-1.99% WoW).
- ▼ DJIA closed at 42,840.26 (-2.25% WoW).

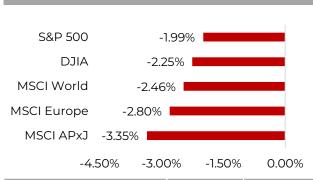
**US Treasury yields rose** as the US Fed signaled a slower pace of policy rate cuts ahead, projecting only two 25 bp cuts in 2025 from previously 4. Additionally, the upward revision of 3Q24 US economic growth to 3.1% reinforced expectations of the US economy's resilience.

▲ On average, yields rose by 7 bps, with the 2Y closing at 4.31% (+7 bps) and the 10Y closing at 4.52% (+13 bps).

The **US Dollar strengthened** following the US Fed's latest projections signaling a slower pace of rate cuts in 2025 and the upward revision in 3Q24 US gross domestic product growth to 3.1%.

▲ The DXY closed at 107.62 (+0.58% WoW).

## **Global Stock Indices**



|                         | Level     | WoW        |
|-------------------------|-----------|------------|
| S&P 500                 | 5,930.85  | -1.99%     |
| DJIA                    | 42,840.26 | -2.25%     |
| 3-mo US Treasury yield  | 4.33%     | +0.30 bps  |
| 2-yr US Treasury yield  | 4.31%     | +6.50 bps  |
| 10-yr US Treasury yield | 4.52%     | +12.50 bps |
| DXY                     | 107.62    | +0.58%     |

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