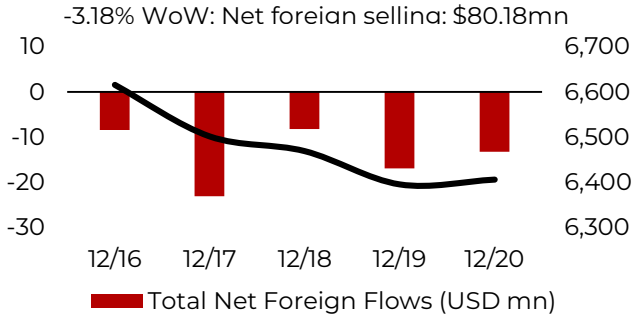


The Weekly Review

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 Bloomberg 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).

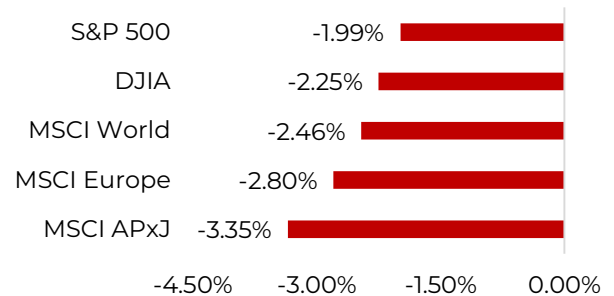
US Treasury yields rose as the US Fed signaled a slower pace of policy rate cuts ahead, projecting only two 25 bp cuts in 2025 from previously 4. Additionally, the upward revision of 3Q24 US economic growth to 3.1% reinforced expectations of the US economy's resilience.

▲ 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%