

The Weekly Review

January 20, 2025

Philippine Stock Exchange Index -2.22% WoW; Net foreign selling: \$56.56mn 6,400 -10 -20 1/13 1/14 1/15 1/16 1/17 Total Net Foreign Flows (USD mn) PSEi (RHS)

	Level	WoW
PSEi	6,352.12	-2.22%
3-mo bond yield	5.50%	-25.38 bps
2-yr bond yield	5.95%	-1.40 bps
10-yr bond yield	6.33%	+18.48 bps
USDPHP	58.64	+0.48%
Oil (Brent, \$ / barrel)	80.79	+1.29%

Local equities ended lower due to heavy foreign selling for most of the week amid cautious sentiment ahead of Trump's inauguration. Moreover, investors also reassessed their Fed rate cut expectations following a batch of strong labor and retail sales data in the US.

Top performers were Converge ICT Solutions, Inc. (PSE Ticker: CNVRG; +6.00%), Semirara Mining and Power Corp. (SCC; +2.73%), and LT Group, Inc. (LTG; +2.23%). Meanwhile, ACEN Corp. (PSE Ticker: ACEN; -7.61%), Universal Robina Corp. (URC; -12.89%), and Monde Nissin Corp. (MONDE; -13.38%) were the laggards.

▼ The PSEi closed at 6,352.12 (-2.22% WoW).

Local fixed income yields closed flat as investors weighed mixed US economic data in December, including the slower-than-expected core CPI, robust nonfarm payrolls, and lower jobless rate.

— On average, yields were flat, with the 2Y closing at 5.95% (-1 bp) and the 10Y closing at 6.33% (+18 bps).

The Philippine peso slightly weakened as investors digested a slew of stronger-than-expected US jobs data. The market also awaited the inauguration of US President-elect Trump for potential policy announcements.

▲ The USD/PHP pair closed at 58.64 (+0.48% WoW).

US equities rose, led by big US banks which posted upbeat 4Q24 earnings results. Market sentiment was also lifted by the slower-than-expected US core Consumer Price Index (CPI) inflation data of 3.2% YoY in December (consensus: 3.3%), which pointed to a continued inflation downtrend.

- ▲ S&P 500 closed at 5,996.66 (+2.91% WoW).
- ▲ DJIA closed at 43,487.83 (+3.69% WoW).

US Treasury yields fell after US core inflation data came in softer-than-expected at 3.2% YoY. This was also supported by dovish comments of Fed Governor Waller, saying that three or four interest rate cuts were still possible this year.

▼ On average, yields fell by 9 bps, with the 2Y closing at 4.29% (-10 bps) and the 10Y closing at 4.63% (-13 bps).

The **US dollar weakened** as investors digested the cooler core inflation data and dovish comments by Fed Governor Waller.

▼ The DXY closed at 109.35 (-0.28% WoW).



	Level	WoW
S&P 500	5,996.66	+2.91%
DJIA	43,487.83	+3.69%
3-mo US Treasury yield	4.30%	-2.60 bps
2-yr US Treasury yield	4.29%	-9.60 bps
10-yr US Treasury yield	4.63%	-13.20 bps
DXY	109.35	-0.28%

This material, which is strictly for information purposes only, is for your sole use, does not constitute a recommendation or an offer to sell or a solicitation to buy any financial product. Any information is subject to change without notice and BPI Wealth is not under any obligation to update or keep current the information contained herein. You are advised to make your own independent judgment with respect to the matter contained in this document. No liability whatsoever is accepted for any loss that may arise (whether director consequential) from any use of the information contained herein.