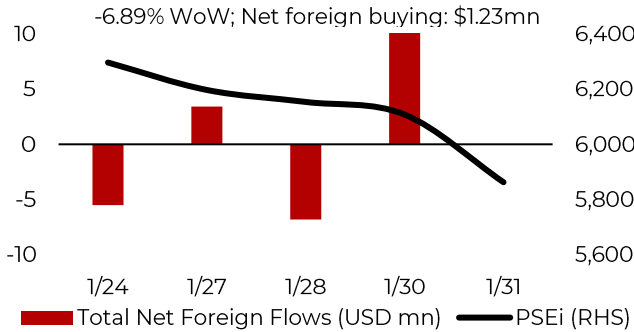


The Weekly Review

February 3, 2025

Philippine Stock Exchange Index



	Level	WoW
PSEi	5,862.59	-6.89%
3-mo bond yield	5.28%	-3.36 bps
2-yr bond yield	5.79%	-10.38 bps
10-yr bond yield	6.23%	-1.63 bps
USDPHP	58.37	+0.09%
Oil (Brent, \$ / barrel)	76.76	-2.22%

The local equity market weakened to a 27-month low following the annual PSEi rebalancing. Nickel Asia Corp. and Wilcon Depot Inc. were removed from the index, while AREIT, Inc. and China Banking Corp. were added. Investors also digested the weaker-than-expected 4Q24 PH Gross Domestic Product (GDP) growth and the US Fed's cautious remarks on the future policy rate path.

Top performers were China Banking Corp. (PSE Ticker: CBC; +33.81%), AREIT, Inc. (AREIT; +4.74%), and PLDT, Inc. (TEL; +3.00%). Meanwhile, Puregold Price Club, Inc. (PSE Ticker: PGOLD; -12.72%), San Miguel Corp. (SMC; -21.63%), and Alliance Global Group, Inc. (AGI; -30.56%) were the laggards of the week.

▼ The PSEi closed at 5,862.59 (-6.89% WoW).

Local fixed income yields fell amid strong demand for the Bureau of the Treasury's dual-tenor bond offer. Investors also assessed the Philippines' below-target economic growth rate for 2024.

▼ On average, yields fell by 7 bps, with the 2Y closing at 5.79% (-10 bps) and the 10Y closing at 6.23% (-2 bps).

The Philippine peso slightly weakened as traders digested the lower-than-expected Philippine economic growth for 4Q24.

▲ The USD/PHP pair closed at 58.37 (+0.09% WoW).

The US stock market indices closed mixed as investors weighed Trump's declaration of tariffs and the launch of low-cost Chinese Artificial Intelligence chatbot DeepSeek-R1 which sparked a tech sell-off. Additionally, investors digested the US Fed's decision to keep rates steady and Fed Chair Powell's remarks saying that there was no rush to cut rates.

▼ S&P 500 closed at 6,040.53 (-1.00% WoW).

▲ DJIA closed at 44,544.66 (+0.27% WoW).

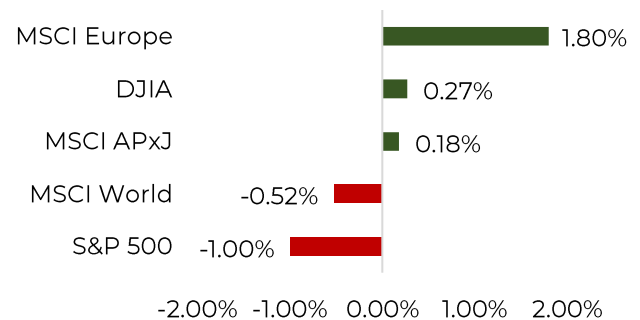
US Treasury yields fell after the US GDP growth reading of 2.3% in 4Q24 came in below market expectations. Moreover, the emergence of DeepSeek-R1 also spurred demand for safe-haven assets.

▼ On average, yields fell by 6 bps, with the 2Y closing at 4.2% (-7 bps) and the 10Y closing at 4.54% (-8 bps).

The **US dollar strengthened** as traders digested hawkish remarks from Fed officials, the faster December PCE inflation of 2.6%, and US President Trump's announcement of tariffs on Canada, Mexico, and China.

▲ The DXY closed at 108.37 (+0.86% WoW).

Global Stock Indices



	Level	WoW
S&P 500	6,040.53	-1.00%
DJIA	44,544.66	+0.27%
3-mo US Treasury yield	4.29%	-2.10 bps
2-yr US Treasury yield	4.20%	-6.90 bps
10-yr US Treasury yield	4.54%	-8.00 bps
DXY	108.37	+0.86%