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# PHILEQUITY CORNER

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## 2024 Review: Unwrapping the Christmas Haul

The holidays are over. It's time to pack up the Christmas tree, bundle up your gifts, and see which treasures are truly worth keeping.

### Cocoa's sweet surprise

If Santa slipped chocolate into your stocking, don't devour it just yet. Cocoa prices surged 172% - making it 2024's top-performing commodity. Poor harvests turned your holiday sweets into golden treats as cocoa price soared past just about everything else on the board.

### Bitcoin bonanza

Crypto investors who weathered Bitcoin's 64% drop in 2022 saw their patience pay off. It registered two straight years of triple-digit returns - up 155% in 2023 and another 121% in 2024. Bitcoin exchange-traded funds (ETFs) became mainstream. Trump's return to the White House ignited hopes for more friendly regulations to promote crypto's wider adoption.

### Coffee's roasting rally

That pricey morning latte just got pricier. Arabica coffee spiked 67% to a four-decade high due to a severe drought in Brazil that cast doubt on next season's supply. Suddenly, those PHP160 Americanos feel like a bargain compared to what's brewing ahead.

### Tech stocks bring cheer

If you got tech stocks in your holiday hamper, you probably closed 2024 with a big cheer. The Magnificent Seven tech giants - Apple, Microsoft, Alphabet, Amazon, Nvidia, Meta and Tesla - soared 62% as AI stocks dominated. The Nasdaq Composite surged 28.6% and the broader S&P 500 returned 23.3%, buoyed by Trump's Make America Great Again (MAGA) agenda. Tesla, led by Elon Musk, Trump's biggest campaign donor, saw a significant run-up following Trump's win.

## Trump's treats for Wall Street

Trump's return to the White House came with a sack full of treats for Wall Street. His promise of deregulation boosted banks like JP Morgan and Goldman Sachs, whose stocks jumped 41% and 48%, respectively, in 2024. The financial sector ETF (XLF) held huge gains, closing the year with a solid 28.5% return.

## Asia's Mixed Bag

In Asia's gift bag, the presents were a mixed assortment. Taiwan emerged as the region's standout, wrapping up a 28.5% gain thanks to its tech-heavy market capitalizing on the global AI boom. Beijing's stimulus lifted Hong Kong stocks by 17.7% and mainland Chinese stocks by 14.7%. But it wasn't all festive cheer as South Korean stocks played the Grinch with a 9.6% decline.

## ASEAN's winners and losers

The Global X FTSE Southeast Asia ETF (symbol: ASEA), which was up nearly 20% at one point, finished 2024 with a modest 5.7% gain. Singapore stocks led the region with a 16.9% increase, followed by Malaysia's 12.9% gain. The Philippine stock market barely moved, delivering just a 1.2% return, while Thai stocks dipped 1.1% and Indonesian stocks fell 3.2%.

## Japan's value play

Warren Buffett's bet on Japanese equities continues to pay off. The Nikkei rose 18.2% in 2024, capping a 52.8% two-year gain. This marked the best two-year return in a decade as global investors embraced Japan's value proposition.

## Gold's glittering run

Central banks and ordinary people flocked to gold amid geopolitical tensions. The precious metal soared 27% to record highs in 2024. Whether in jewelry or bullion, gold reaffirmed its timeless appeal.

## Rice relief for households

If you found a bag of Thai rice among your gifts, it might not be the flashiest gift. But with prices tumbling 21%, Filipino households will benefit. Sometimes the best gifts are the ones that cost less.

## US dollar dominates

Receiving US dollars as “aguinaldo” this Christmas turned out to be a rewarding gift as the greenback rose 7.1% last year. In contrast, the euro dropped 6.2%, nearing parity with the dollar, while the Japanese yen weakened 10.3%, poised to test a key support level at 160. The Chinese yuan slid 2.8% to 7.2988, marking its worst close since 2008.

The Philippine peso weakened 4.3% as the Korean won led declines in Asia, plunging 12.4%. Latin American currencies fared the worst, with the Brazilian real tumbling 21.4% and the Mexican peso dropping 18.5%.

## Bonds fail to dazzle

Treasuries, the usual go-to gift for cautious investors, had a bad year. The iShares Core U.S. Aggregate Bond ETF (AGG) lost 2.4% last year, with many funds focused on long-term bonds ending in the red.

## What you keep matters most

As you pack away your holiday gifts and reflect on your portfolio, remember: it’s not about what the market gives you – it’s about what you choose to keep. As the timeless maxim goes, “The trend is your friend.” Those who held on to their winners closed the year with more than just holiday cheer.