

April 12, 2023

LOCAL MARKETS

Local equities fell ahead of key economic data. Local fixed income yields rose following the BTr auction. The Philippine peso weakened on strong US jobs data.

Key Events

- ✓ The **International Monetary Fund** hiked its growth outlook for the Philippines to 6% from its initial 5% estimate last January. If realized, the Philippines would be the fastest growing country in emerging and developing Asia in 2023. However, the IMF revised its 2024 forecast downward to 5.8% from 6.0%.
- ✓ **Globe Telecom Inc. (PSE Ticker: GLO)** is appealing to extend the deadline for the subscriber identity module (SIM) registration to provide subscribers more time to get the required government IDs. The company noted that it saw a low registration count mainly due to the lack of valid government IDs and challenged digital literacy in the country.

Equities

- ✓ **Local equities** fell as investors looked ahead to the US CPI data, US retail sales, University of Michigan reports, as well as Philippine OFW cash remittances. Investors were also spooked by geopolitical tensions between China and Taiwan. The PSEi closed at 6,479.63 (-0.14% DoD).

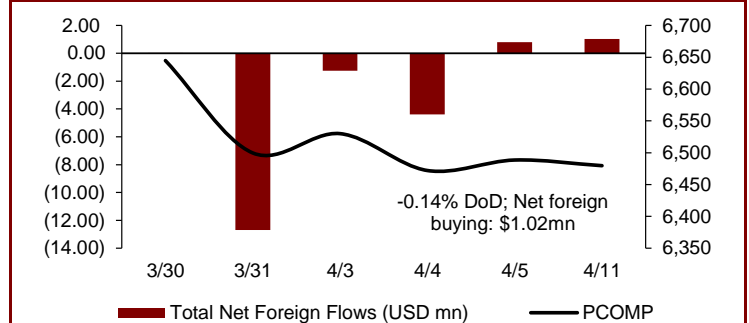
Bond Market Movement

Tenor	Change	Yield	Tenor	Change	Yield
3 months	+0.1220	5.3117	5 years	+0.0122	5.9326
6 months	+0.0028	5.6843	7 years	-0.0196	6.0137
1 year	-0.0091	6.0176	10 years	+0.0022	6.1549
2 years	+0.0205	5.8789	20 years	-0.0009	6.4326
3 years	+0.0420	5.9044	30 years	+0.0017	6.4315
4 years	+0.0316	5.9149			

Foreign Exchange

	Previous	Close		Previous	Close
PHP/USD*	54.400	54.930	EUR/USD	1.0859	1.0912

PSEi Snapshot



Previous:	6,488.5	PSEi change:	-0.14%
High:	6,506.6	Best:	BDO +4.67%
Low:	6,474.0	2nd best:	AGI +2.30%
Close:	6,479.6	2nd worst:	JGS -3.35%
Val. traded (mn):	4,072.6	Worst:	ACEN -3.53%

Fixed Income

- ✓ **Local fixed income yields** rose as Bureau of the Treasury awarded Php13.9 billion worth of treasury bills. On average, yields went up by 1.87 bps, led by the short end of the curve which rose by 3.41 bps.

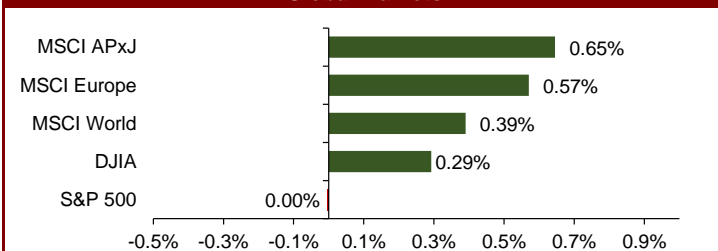
Philippine peso

- ✓ The **Philippine Peso** weakened after the strong US jobs data fueled bets of another 25-bps rate hike from the US Fed in its next meeting. The USD/PHP pair closed at 54.93 (+0.97% DoD).

OVERSEAS MARKETS

Global equities and US Treasury yields rose, while the US Dollar weakened as investors geared up ahead of the US inflation data to be released this week.

Global Markets



US Treasuries

Tenor	Change	Yield	Tenor	Change	Yield
3 months	-0.0479	4.9141	5 years	+0.0086	3.5280
6 months	+0.0619	4.9293	10 years	+0.0094	3.4262
2 years	+0.0147	4.0224	30 years	-0.0087	3.6196

- ✓ **US equities** were little changed as investors awaited the March inflation data release and banks' corporate earnings. Market participants will be anticipating how the Fed will evaluate the appropriate pace of monetary policy. The S&P 500 closed at 4,108.94 (0.00% DoD) and the DJIA closed at 33,684.79 (+0.29% DoD).
- ✓ **Asian equities** edged higher amid optimism that regional central banks may pause or slow the pace of rate hikes regardless of Fed actions to preserve economic growth. The MSCI APxJ closed at 526.08 (+0.65% DoD).
- ✓ **European equities** rose led by mining stocks as investors positioned ahead of the US inflation report to be released this week. The MSCI Europe closed at 155.22 (+0.57% DoD).
- ✓ **US Treasury yields** rose as investors geared up ahead of the inflation print to be released on Wednesday which will likely determine the Fed's next policy move. On average, yields went up by 0.63 bps, with the 2Y closing at 4.02% (+1.47 bps) and the 10Y closing at 3.43% (+0.94 bps).
- ✓ The **US Dollar** weakened as investors positioned ahead of the US inflation data release. The DXY closed at 102.20 (-0.36%).

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