

April 24, 2023

## LOCAL MARKETS

Local equities gained, local fixed income yields were mixed, and the Philippine peso strengthened on corporate earnings releases and various market developments.

### Key Events

- ✓ **Department of Finance** Secretary Benjamin E. Diokno said that the regulations surrounding the VAT zero-ratings will be released before the end of April. Under the Corporate Recovery and Tax Incentives for Enterprises Act, local purchases are qualified for VAT zero-ratings if businesses said purchases are directly and exclusively used in their registered activities.
- ✓ **San Miguel Corporation's (PSE Ticker: SMC)** energy subsidiary, San Miguel Global Power Holdings Corp., will ramp up its investments in the power sector to increase its portfolio and augment the power supply requirements in the country. The company is developing a portfolio of solar power projects with an initial aggregate capacity of 800-megawatt peak (MWp) in Bataan and Isabela.

### Equities

- ✓ **Local equities** gained on the back of market optimism over the strong bank corporate earnings releases and balance of payments surplus in 1Q23. The PSEI closed at 6,520.44 (+1.15% DoD).

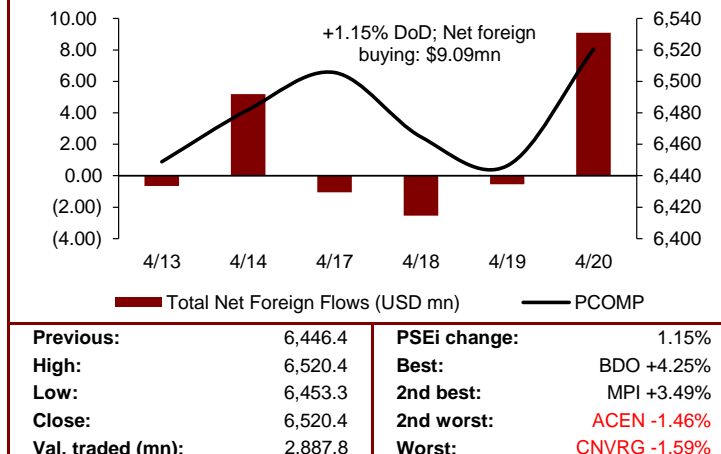
### Bond Market Movement

Tenor	Change	Yield	Tenor	Change	Yield
3 months	+0.0293	5.6480	5 years	-0.0111	5.9395
6 months	+0.0622	5.9190	7 years	-0.0098	6.0087
1 year	-0.0208	6.1475	10 years	-0.0056	6.1687
2 years	+0.0115	5.9589	20 years	-0.0055	6.4346
3 years	+0.0049	5.9337	30 years	-0.0061	6.4356
4 years	-0.0044	5.9291			

### Foreign Exchange

	Previous	Close		Previous	Close
PHP/USD*	56.210	56.020	EUR/USD	1.0970	1.0986

### PSEi Snapshot



### Fixed Income

- ✓ **Local fixed income yields** were mixed but rose on average mostly driven by the short end as investors weigh the BSP's potential monetary action in May and China's latest policy decision. On average, yields rose by 0.41 bps, led by the short end of the curve which went up by 2.05 bps.

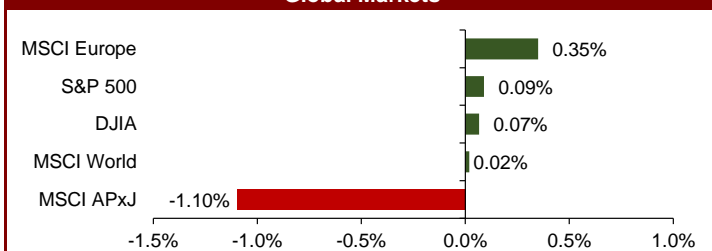
### Philippine peso

- ✓ The **Philippine Peso** slightly strengthened ahead of the Eid'l Fitr holiday as investors digested the mild softening of oil prices and a slight improvement on China's outlook after its central bank kept its policy rates unchanged. Last Thursday, the USD/PHP pair closed at 56.02 (-0.34% DoD).

## OVERSEAS MARKETS

Global equities mostly rose, US Treasury yields went up, and the US Dollar slightly weakened as investors weighed corporate earnings and economic data releases.

### Global Markets



### US Treasuries

Tenor	Change	Yield	Tenor	Change	Yield
3 months	-0.0410	5.0172	5 years	+0.0366	3.6630
6 months	-0.0341	4.9906	10 years	+0.0400	3.5718
2 years	+0.0393	4.1816	30 years	+0.0356	3.7757

- ✓ **US equities** slightly rose as investors watched out for the latest round of corporate earnings and the April US flash composite PMI which recorded its highest figure in 11 months. The S&P 500 closed at 4,133.52 (+0.09% DoD) and the DJIA closed at 33,808.96 (+0.07% DoD).
- ✓ **Asian equities** fell on dampened sentiment as Japan's March core inflation remained unchanged at 3.1%. Concerns on China's potentially uneven recovery also lingered. The MSCI APxJ closed at 518.02 (-1.10% DoD).
- ✓ **European equities** inched higher as investors digested the latest corporate earnings releases and the uptick of the Eurozone's flash composite PMI to 54.4 in April, also its 11-month high, from 53.7 in March. The MSCI Europe closed at 157.70 (+0.35% DoD).
- ✓ **US Treasury yields** rose as investors weighed upbeat business activity in April with flash composite PMI at 53.5, an 11-month high, from 52.3 in March. On average, yields rose by 1.27 bps, with the 2Y closing at 4.18% (+3.93 bps) and the 10Y closing at 3.57% (+4.00 bps).
- ✓ The **US Dollar** was flat as investors weighed mixed economic data releases. US jobless claims rose to the highest level since November 2021, while US S&P Manufacturing PMI rose to 50.4 in April. The DXY closed at 101.82 (-0.02% DoD).

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