

January 31, 2023

LOCAL MARKETS

Local equities fell, local fixed income yields rose, and the Philippine peso marginally weakened ahead of the FOMC meeting.

Key Events

- ✓ **The Philippine Dealing & Exchange Corp sees Philippine corporates raising Php300 billion to Php450 billion via bond issuances in 2023 to fund expansion and repay debt.** This is lower than the Php508 billion raised by corporations last year.
- ✓ **Metro Pacific Investment Corp. (PSE Ticker: MPI)** is expecting to generate Php500 million in revenue from its dairy business by 2025. MPI and its partner, LR Group, are investing Php2 billion to build a facility that aims produce at least six million liters of milk annually. The construction of the facility will start in 2023 and is expected to begin operations in late 2025 or early 2026.

Equities

- ✓ **Local equities** fell amid profit taking as investors looked for more catalyst and waited for key US economic data releases and the Fed's monetary policy decision. The PSEi closed at 6,970.97 (-1.15% DoD).

Bond Market Movement

Tenor	Change	Yield	Tenor	Change	Yield
3 months	-0.0283	4.3474	5 years	+0.0371	5.8224
6 months	-0.0162	4.9373	7 years	+0.0639	5.9700
1 year	+0.0090	5.4037	10 years	+0.0523	6.0794
2 years	+0.0385	5.3575	20 years	+0.0342	6.4468
3 years	+0.0210	5.5554	30 years	+0.0314	6.4474
4 years	+0.0230	5.7054			

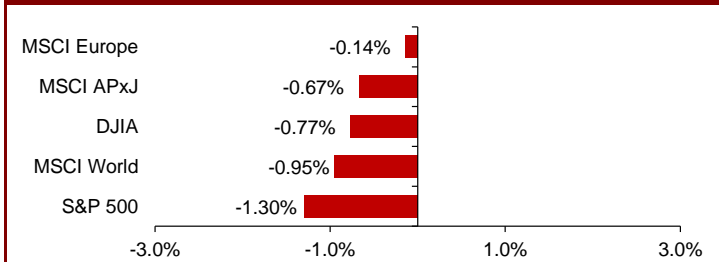
Foreign Exchange

	Previous	Close	Previous	Close
PHP/USD*	54.470	54.545	EUR/USD	1.0868
				1.0851

OVERSEAS MARKETS

US and European equities fell, US Treasury yields rose, and the US Dollar strengthened as market participants shifted their focus on the upcoming policy meetings of central banks. Meanwhile, Asian equities dropped amid the negative sentiment over Adani Group.

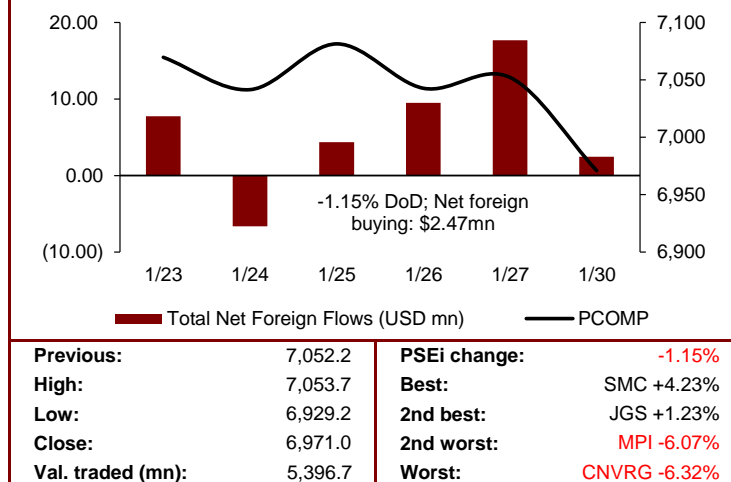
Global Markets



US Treasuries

Tenor	Change	Yield	Tenor	Change	Yield
3 months	-0.0110	4.6535	5 years	+0.0519	3.6621
6 months	-0.0458	4.7718	10 years	+0.0331	3.5366
2 years	+0.0351	4.2341	30 years	+0.0330	3.6520

PSEi Snapshot



Fixed Income

- ✓ **Local fixed income yields** continued to rise amid profit-taking and positioning ahead of the central bank policy meetings. The Federal Reserve Open Market Committee is having its 2-day policy meeting on Jan. 31 to Feb. 1, while the Bangko Sentral ng Pilipinas' Monetary Board will meet on Feb. 16. On average, yields went up by 2.42 bps, led by the long-end of the curve which rose by 3.93 bps.

Philippine peso

- ✓ The **Philippine peso** slightly weakened as investors waited for the FOMC policy decision and weighed the prospects of increased global economic activity after China announced that it will promote consumption to support the country's economic recovery. Among the measures laid out by China are ramping foreign investments and easing of cross-border controls. The USD/PHP pair closed at 54.55 (+0.14% DoD).