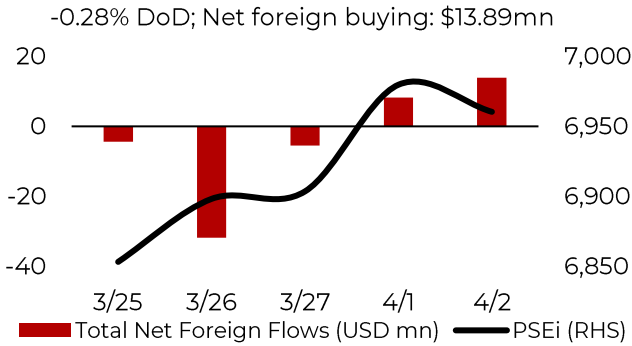


The Morning View

April 3, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,960.43	-0.28%
3-mo bond yield	5.75%	+2.54 bps
2-yr bond yield	6.05%	+0.86 bps
10-yr bond yield	6.24%	+0.36 bps
USDPHP	56.315	+0.11%
Oil (Brent, \$ / barrel)	88.92	+1.72%

Moody's Ratings sees the Philippines to be the second-fastest growing economy in Southeast Asia in 2024 and 2025. The credit rating agency expects the PH economy to grow by 5.9% in 2024 and 6.0% in 2025 amid resilient domestic consumption. The growth rates were slightly behind Vietnam which is expected to grow by 6.0% and 6.5% for 2024 and 2025, respectively.

Citicore Energy REIT Corp. (Ticker: CREIT) reported an attributable net income of Php1.4 billion in FY2023, 12% higher than FY2022. This was on the back of a 31% YoY increase in revenues to Php1.8 billion as the company continued to expand its green asset portfolio.

Local equities slightly fell amid last-minute profit taking and cautious sentiment over a potentially higher local inflation reading for March. The PSEi closed at 6,960.43 (-0.28% DoD).

Local fixed income yields climbed amid market expectations of a quicker PH inflation print in March. On average, yields rose by 1.36 bps, with the 2Y closing at 6.05% (+0.86 bps) and the 10Y closing at 6.24% (+0.36 bps).

The **Philippine peso** slightly weakened after the release of the stronger-than-expected US ISM manufacturing data pushed back market's expectations on the timing of US policy rate cuts. The USD/PHP pair closed at 56.32 (+0.11% DoD).

US factory orders rebounded by 1.4% MoM in February (January: -3.8%) amid stronger demand for machinery and commercial aircraft. This was stronger than the market expectation of only a 1.0% rise, which suggests a recovery in the manufacturing sector.

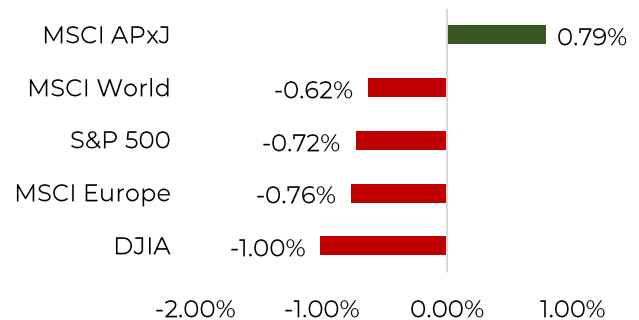
Two voting members of the US Federal Reserve still see rate cuts this year, but not anytime soon. Cleveland Fed President Loretta Mester ruled out a rate cut in May but said that a cut in June is possible if data allows it. Meanwhile, San Francisco Fed President Mary Daly shared that three cuts this year is reasonable but would like to see more evidence of easing inflation.

US equities declined amid investors' concerns that the Fed may delay cutting rates. The decline in healthcare and Tesla shares also weighed down on sentiment. The S&P 500 closed at 5,205.81 (-0.72% DoD) and the DJIA closed at 39,170.24 (-1.00% DoD).

US Treasury yields were mixed but rose on average as investors weighed the stronger-than-expected US manufacturing data and mixed remarks from various Fed officials. On average, yields rose by 1.53 bps, with the 2Y closing at 4.69% (-1.60 bps) and the 10Y closing at 4.35% (+3.80 bps).

The **US dollar** slightly weakened as Fed officials Mester and Daly signaled that they still see rate cuts this year. The DXY closed at 104.82 (-0.19% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,205.81	-0.72%
DJIA	39,170.24	-1.00%
3-mo US Treasury yield	5.38%	+0.40 bps
2-yr US Treasury yield	4.71%	+8.50 bps
10-yr US Treasury yield	4.31%	+11.10 bps
DXY	104.82	-0.19%

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