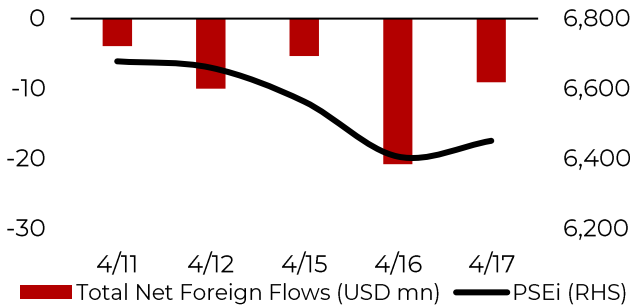


The Morning View

April 18, 2024

Philippine Stock Exchange Index

+0.70% DoD; Net foreign selling: \$9.11mn



	Level	DoD
PSEi	6,450.04	+0.70%
3-mo bond yield	5.84%	+3.01 bps
2-yr bond yield	6.36%	+5.03 bps
10-yr bond yield	6.84%	+3.61 bps
USDPHP	57.18	+0.32%
Oil (Brent, \$ / barrel)	87.29	-3.03%

The **Bangko Sentral ng Pilipinas** sees inflation breaching the 2-4% tolerance band in 2Q24 before easing back to the target in 2H24. BSP Governor Remolona has signaled that rate cuts may be pushed back to late this year or early 2025 amid stubborn inflation.

Metropolitan Bank & Trust Company (Ticker: MBT) earmarked **Php5 billion for capital expenditures in 2024**. Of the total amount, 70% or about Php3 billion is allotted to boost the bank's information technology system. In 2023, MBT incurred capital expenses of Php4.7 billion.

Local equities rebounded after a nine-day decline amid bargain hunting. The International Monetary Fund's upward revision to its Philippine economic growth forecast this year to 6.2% also lifted market sentiment. The PSEi closed at 6,450.04 (+0.70% DoD).

Local fixed income yields rose as investors weighed hawkish commentary from various Fed officials which pushed back rate cut expectations. On average, yields rose by 3.46 bps, with the 2Y closing at 6.36% (+5.03 bps) and the 10Y closing at 6.84% (+3.61 bps).

The **Philippine peso** weakened after US Fed Chair Powell signaled that rates may remain higher for longer. The USD/PHP pair closed at 57.18 (+0.32% DoD).

The **US Federal Reserve's Beige Book**, a survey of the Fed's regional business contacts, showed that **economic activity has expanded slightly from late February to early April**. The contacts also expected that inflation would hold steady at a slow pace moving forward, indicating little progress in lowering inflation.

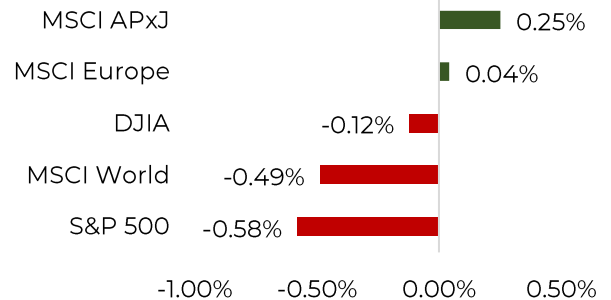
UK Consumer Price Index (CPI) inflation eased to 3.2% YoY in March (February: 3.4%) above the consensus estimate of 3.1%. The decline was driven by the slowdown in food prices which was partly offset by higher fuel prices. The faster-than-expected inflation print pushed back bets of a rate cut from the Bank of England.

US equities fell as investors remained cautious amid lingering geopolitical conflicts in the Middle East and dimming hopes of an early rate cut from the Fed following the higher-for-longer rhetoric from several Fed officials. The S&P 500 closed at 5,022.21 (-0.58% DoD) and the DJIA closed at 37,753.31 (-0.12% DoD).

US Treasury yields declined as investors weighed the correction in global oil prices and strong demand for the 20-year US Treasury bond auction. On average, yields fell by 5.19 bps, with the 2Y closing at 4.93% (-5.50 bps) and the 10Y closing at 4.59% (-8.00 bps).

The **US dollar** weakened amid profit-taking following a five-day winning streak. The DXY closed at 105.94 (-0.30% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,022.21	-0.58%
DJIA	37,753.31	-0.12%
3-mo US Treasury yield	5.41%	+2.30 bps
2-yr US Treasury yield	4.93%	-5.50 bps
10-yr US Treasury yield	4.59%	-8.00 bps
DXY	105.94	-0.30%

This material, which is strictly for information purposes only, is for your sole use, does not constitute a recommendation or an offer to sell or a solicitation to buy any financial product. Any information is subject to change without notice and BPI Wealth is not under any obligation to update or keep current the information contained herein. You are advised to make your own independent judgment with respect to the matter contained in this document. No liability whatsoever is accepted for any loss that may arise (whether direct or consequential) from any use of the information contained herein.

All funds managed by BPI Wealth are Trust and/or Investment Management Funds, which do not carry any guarantee of income or principal, and are NOT covered by the Philippine Deposit Insurance Corporation. Past performance is not a guarantee of future results. BPI Wealth Investment Funds are valued daily using the marked-to-market method.