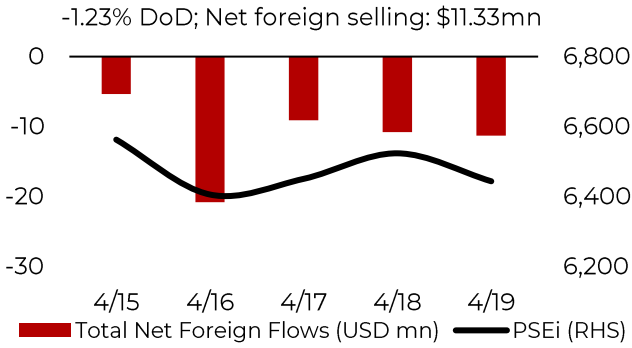


The Morning View

April 22, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,443.00	-1.23%
3-mo bond yield	5.87%	-0.22 bps
2-yr bond yield	6.42%	+0.99 bps
10-yr bond yield	6.89%	+1.30 bps
USD/PHP	57.65	+0.80%
Oil (Brent, \$ / barrel)	87.29	+0.21%

The **Department of Finance Chief Ralph Recto** warns of potential delays in rate cuts should the USD/PHP exchange rate hit the 59 level. Nonetheless, even without rate cuts, Recto still sees the Philippine gross domestic product (GDP) growing by 6% to 7% this year.

GT Capital Holdings, Inc.'s (Ticker: GTCAP) subsidiary, Metro Pacific Investments Corp. (MPIC), eyes to put up a 3,000-hectare corn farm in Mindoro to support its dairy business. The company also plans to increase its investment in dairy farms to bolster milk supply.

Local equities dropped as heightened geopolitical tensions between Israel and Iran weighed down on market sentiment. The PSEi closed at 6,443.00 (-1.23% DoD).

Local fixed income yields rose amid concerns over potential rate cut delays from the US Fed and the Bangko Sentral ng Pilipinas. Investors also digested hawkish remarks from Fed officials. On average, yields rose by 1.12 bps, with the 2Y closing at 6.42% (+0.99 bps) and the 10Y closing at 6.89% (+1.30 bps).

The **Philippine peso** weakened driven by the continued risk-off sentiment amid the escalating geopolitical tensions in the Middle East. The USD/PHP pair closed at 57.65 (+0.80% DoD).

Chicago Fed President Austan Goolsbee said that further investigation is needed on the direction of the economy before the Fed cuts rates as inflation progress stalls. He added that housing inflation, which makes up about one-third of the inflation basket, is a key area to watch.

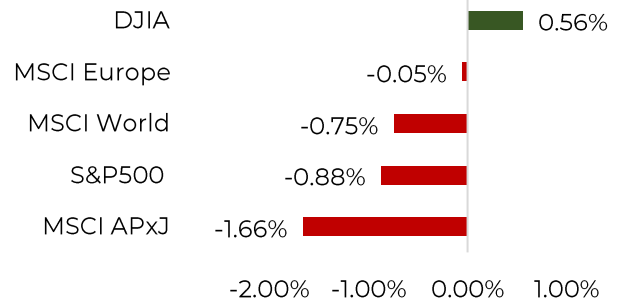
European Central Bank (ECB) policymaker Francois Villeroy said that escalating tensions in the Middle East should not affect the ECB's plans of a June rate cut. He also said that the conflict is unlikely to drive up energy prices and threaten the ECB's target to bring inflation down to 2% by 2025.

US equities closed mixed as tempered US rate cut expectations and lingering Middle East tensions continued to weigh down on sentiment. Investors also digested mixed 1Q24 earnings results of American Express and Netflix. The S&P 500 closed at 4,967.23 (-0.88% DoD) and the DJIA closed at 37,986.40 (+0.56% DoD).

US Treasury yields were mixed ahead of the US core personal consumption expenditures (PCE) data release and as investors digested hawkish remarks from several US Fed officials. On average, yields fell by 0.46 bps, with the 2Y closing at 4.99% (0.00 bps) and the 10Y closing at 4.62% (-1.20 bps).

The **US dollar** was flat amid cautious sentiment ahead of the US PCE inflation and GDP data. The DXY closed at 106.15 (0.00% DoD).

Global Stock Indices



	Level	DoD
S&P 500	4,967.23	-0.88%
DJIA	37,986.40	+0.56%
3-mo US Treasury yield	5.44%	+2.30 bps
2-yr US Treasury yield	4.99%	0.00 bps
10-yr US Treasury yield	4.62%	-1.20 bps
DXY	106.15	+0.00%

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