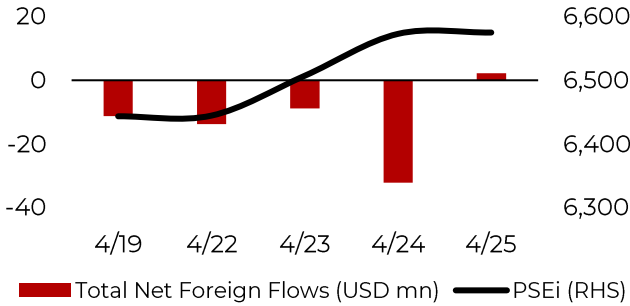


The Morning View

April 26, 2024

Philippine Stock Exchange Index

+0.03% DoD; Net foreign buying: \$2.21mn



	Level	DoD
PSEi	6,574.88	+0.03%
3-mo bond yield	5.86%	-0.39 bps
2-yr bond yield	6.44%	-2.53 bps
10-yr bond yield	6.97%	+0.46 bps
USDPHP	57.78	+0.40%
Oil (Brent, \$ / barrel)	89.01	+1.12%

The **National Economic Development Authority** says that removing nontariff barriers for food imports can help curb inflation. Last week, the President urged several agencies to streamline administrative processes in importing agricultural imports.

DMCI Holdings, Inc. (Ticker: DMC) and its units will acquire Cemex Asian South East Corp. (CASEC) for \$305.6 million in a bid to expand to cement manufacturing. DMC will own 56.75% of CASEC's shares. Meanwhile, DMC units Dacon Corp. and Semirara Mining and Power Corp. will own 32.12% and 11.13%, respectively.

Local equities were flat as investors stayed on the sidelines ahead of the 1Q24 US Gross Domestic Product (GDP) report which was released overnight. The PSEi closed at 6,574.88 (+0.03% DoD).

Local fixed income yields ended mixed as the markets awaited the release of key US economic data including 1Q24 GDP and core Personal Consumption Expenditures (PCE) inflation. On average, yields fell by 0.75 bps, with the 2Y closing at 6.44% (-2.53 bps) and the 10Y closing at 6.97% (+0.46 bps).

The **Philippine peso** weakened to a new 17-month low after investors weighed the stronger-than-expected US durable goods data. The USD/PHP pair closed at 57.78 (+0.40% DoD).

US Gross Domestic Product (GDP) growth slowed to 1.6% YoY in 1Q24 (4Q23: 3.4%), marking the slowest pace of growth since 2Q22.

The slower growth was driven by the surge in imports and the deceleration in consumer spending, government spending, and exports. These movements were offset by the increase in private investments.

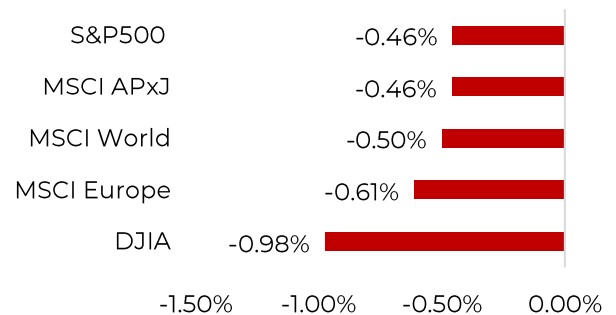
US initial jobless claims unexpectedly fell by 5,000 to 207,000 for the week ended April 20, its lowest since mid-February. This points to labor market conditions remaining tight.

US equities declined after US GDP came out weaker-than-expected in 1Q24. Disappointing earnings forecasts from Facebook and Instagram-owner, Meta Platforms, also dampened market sentiment. The S&P 500 closed at 5,048.42 (-0.46% DoD) and the DJIA closed at 38,085.80 (-0.98% DoD).

US Treasury yields rose amid investors' concerns over persistent inflationary pressures after the US core PCE inflation came out higher-than-expected at 3.7% in 1Q24 from 2% in 4Q23. On average, yields rose by 4.52 bps, with the 2Y closing at 5% (+7.10 bps) and the 10Y closing at 4.71% (+6.20 bps).

The **US dollar** weakened after US GDP growth came in slower than expected in 1Q24. The DXY closed at 105.60 (-0.24% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,048.42	-0.46%
DJIA	38,085.80	-0.98%
3-mo US Treasury yield	5.42%	-2.20 bps
2-yr US Treasury yield	5.00%	+7.10 bps
10-yr US Treasury yield	4.71%	+6.20 bps
DXY	105.60	-0.24%

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