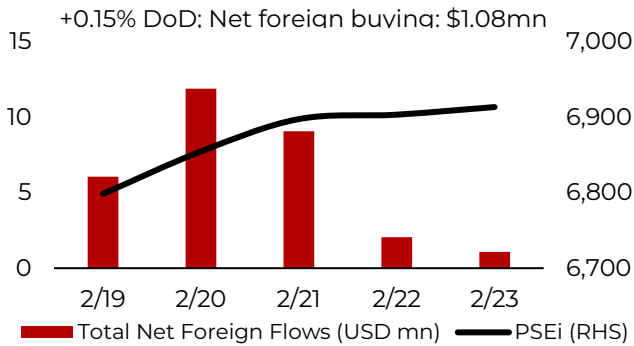


# The Morning View

February 26, 2024

## Philippine Stock Exchange Index



	Level	DoD
PSEi	6,913.21	+0.15%
3-mo bond yield	5.62%	-0.35 bps
2-yr bond yield	6.13%	+0.77 bps
10-yr bond yield	6.26%	-1.12 bps
USDPHP	55.90	+0.35%
Oil (Brent, \$ / barrel)	81.62	-2.45%

**Moody's Analytics** raised its 2024 growth projection forecast for the Philippines to 5.8% from 5.4% amid strong demand for electronics. It expects the Philippines to be the third fastest performing economy after India and Vietnam, and outpacing China and Indonesia.

**Converge ICT Solutions, Inc. (Ticker: CNVRG) has set aside Php150 million to launch its pay television segment.** The pay TV services are aimed to cover underserved areas in the country through satellite. The new segment is undergoing testing in Pampanga and is aimed to be fully rolled out this year.

**Local equities** rose amid optimism on the local economy after Moody's' upward revision of the country's growth forecast. Positive sentiment on the upbeat earnings in the US also supported the local bourse. The PSEi closed at 6,913.21 (+0.15% DoD).

**Local fixed income yields** were mixed but fell on average following robust demand for the government's retail Treasury bond offering. The Bureau of the Treasury was able to exceed its Php400 billion initial target, raising Php 585 billion in funding. On average, yields fell by 2.16 bps, with the 2Y closing at 6.13% (+0.77 bps) and the 10Y closing at 6.26% (-1.12 bps).

The **Philippine peso** weakened ahead of the January US Personal Consumption Expenditure (PCE) report later this week. The USD/PHP pair closed at 55.90 (+0.35% DoD)

**New York Federal Reserve President John Williams sees that the Fed is on track to cut policy rates later this year.** Williams said that the inflation's progress towards the Fed's 2% target can be "a little bit bumpy" but overall headed "in the right direction".

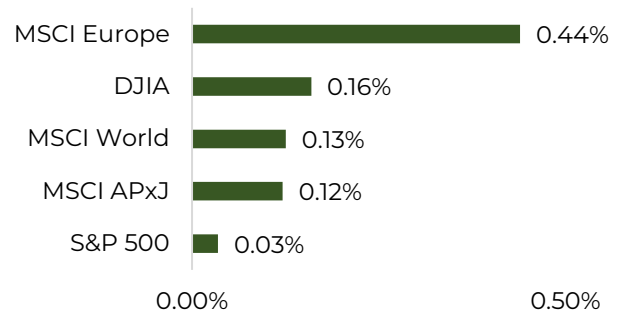
**European Central Bank (ECB) officials highlight the need for additional data of easing inflation before considering rate cuts.** ECB officials specifically focused on wage growth, which moderated in 4Q23 but remained elevated. Hawkish remarks from several ECB officials also pushed back against the market's expectations of early rate cuts in April and advocated for waiting until June or later.

**US equities** rose to fresh highs as investors shrugged off the Fed's cautionary stance on early rate cuts and instead focused on NVIDIA's record-high earnings. The S&P 500 closed at 5,088.80 (+0.03% DoD) and the DJIA closed at 39,131.53 (+0.16% DoD).

**US Treasury yields** declined as investors weighed New York Fed President William's remarks that the Federal Reserve is on track to cut policy rates later this year. On average, yields fell by 4.14 bps, with the 2Y closing at 4.69% (-2.00 bps) and the 10Y closing at 4.25% (-7.50 bps).

The **US dollar** closed flat ahead of the release of the January PCE figures this week. The DXY closed at 103.94 (-0.02% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,088.80	+0.03%
DJIA	39,131.53	+0.16%
3-mo US Treasury yield	5.42%	+0.80 bps
2-yr US Treasury yield	4.69%	-2.00 bps
10-yr US Treasury yield	4.25%	-7.50 bps
DXY	103.94	-0.02%

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