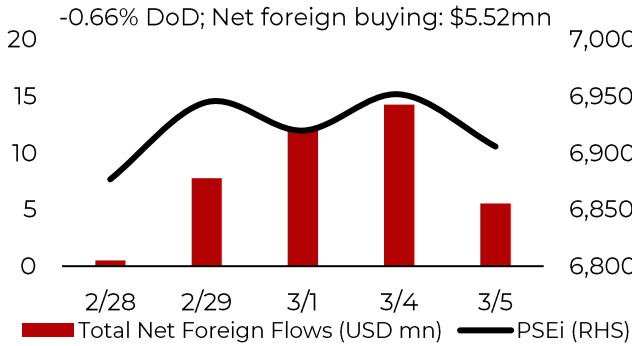


# The Morning View

March 6, 2024

## Philippine Stock Exchange Index



The **Philippine Statistics Authority** reported that PH inflation accelerated to 3.4% in February from 2.8% in January amid higher rice, vegetable, and transport costs. The print was above consensus estimate of 3.0% but was within the Bangko Sentral ng Pilipinas' 2.8-3.6% forecast for the month. Year-to-date, inflation averaged by 3.1%.

**ACEN Corporation (Ticker: ACEN) and Marubeni Asian Power Singapore** partnered to invest around **Php9 billion** in the development of a 400-megawatt-hour battery energy storage system (BESS) in Australia. The project is aimed to be completed by 2025 and will be the largest co-located solar and BESS in Australia once finished.

	Level	DoD
PSEi	6,905.46	-0.66%
3-mo bond yield	5.74%	+1.81 bps
2-yr bond yield	6.12%	-0.19 bps
10-yr bond yield	6.26%	+1.19 bps
USDPHP	55.95	-0.04%
Oil (Brent, \$ / barrel)	82.04	-0.92%

**Local equities** fell as investors digested the higher-than-expected local inflation data for February. The PSEi closed at 6,905.46 (-0.66% DoD).

**Local fixed income yields** rose after the local inflation print in February surprised to the upside. On average, yields rose by 1.42 bps, with the 2Y closing at 6.12% (-0.19 bps) and the 10Y closing at 6.26% (+1.19 bps).

The **Philippine peso** was flat ahead of the US jobs and manufacturing data. Investors also weighed the faster-than-expected local inflation print of 3.4%. The USD/PHP pair closed at 55.95 (-0.04% DoD).

## The US ISM Services PMI fell to 52.6 in February (January: 53.4)

amid a decline in employment. Meanwhile, new orders and production improved. The index stayed above 50 for the fourteenth straight month, which signals an expansion albeit at a slower pace.

## US factory orders fell by 3.6% MoM in January, more than the -2.9% consensus estimate and revised -0.3% figure for December.

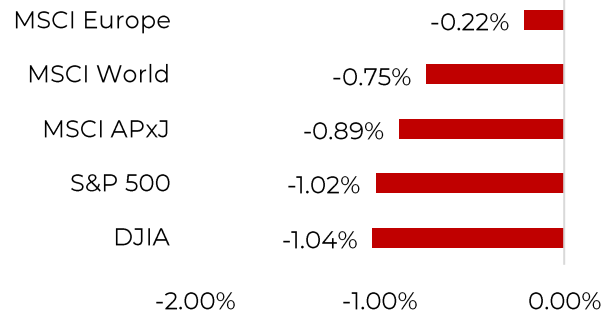
The drop was mainly attributed to the 58.9% decline in commercial aircraft orders. There were also declines in orders for machinery and shipments of manufactured goods.

**US equities** fell as market sentiment turned cautious after investors digested weaker US economic data such as the slowing services PMI and the declining new factory orders. The S&P 500 closed at 5,078.65 (-1.02% DoD) and the DJIA closed at 38,585.19 (-1.04% DoD).

**US Treasury yields** declined ahead of key labor data releases later this week. Investors also weighed the recent ISM services PMI data which showed cooling inflationary pressures. On average, yields fell by 4.38 bps, with the 2Y closing at 4.56% (-4.60 bps) and the 10Y closing at 4.15% (-6.10 bps).

The **US dollar** remained flat ahead of key employment data to be released later this week. The DXY closed at 103.80 (-0.03% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,078.65	-1.02%
DJIA	38,585.19	-1.04%
3-mo US Treasury yield	5.39%	0.00 bps
2-yr US Treasury yield	4.56%	-4.60 bps
10-yr US Treasury yield	4.15%	-6.10 bps
DXY	103.80	-0.03%