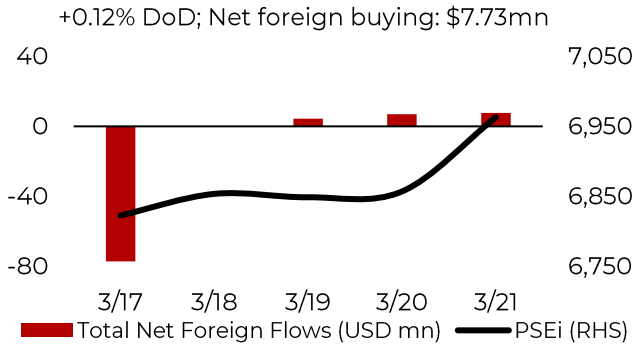


The Morning View

March 22, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,963.22	+1.55%
3-mo bond yield	5.75%	+1.92 bps
2-yr bond yield	6.05%	-0.23 bps
10-yr bond yield	6.20%	-2.00 bps
USDPHP	56.03	-0.18%
Oil (Brent, \$ / barrel)	85.78	-0.20%

The **Public-Private Partnership (PPP) Center** said that about 20 PPP projects under the government's infrastructure program are up for approval by the NEDA-Investment Coordination Committee (ICC) this year. Once a project is approved by the NEDA-ICC, it will be submitted to the NEDA board chaired by President Marcos.

San Miguel Corporation (Ticker: SMC) has started working on the 76.80-km Pangasinan Link Expressway (PLEX), its joint venture project with the province of Pangasinan. The government will incur no costs and will receive a substantial share of the project's earnings. When finished, PLEX will connect Pangasinan towns to SMC's airport in Bulacan.

Local equities rose after the US Federal Reserve maintained its three 25-basis point rate cuts projection for 2024. The PSEi closed at 6,963.22 (+1.55% DoD).

Local fixed income yields fell as investors digested NEDA Secretary Balisacan's recent comment that local inflation will unlikely accelerate further in March. On average, yields fell by 0.07 bps, with the 2Y closing at 6.05% (-0.23 bps) and the 10Y closing at 6.20% (-2.00 bps).

The **Philippine peso** slightly strengthened as US Fed Chair Powell reaffirms that they remain on track to cut policy rates later this year. The USD/PHP pair closed at 56.03 (-0.18% DoD).

The S&P Global Flash US Composite PMI Output Index dipped to 52.2 in March (February: 52.5). Nonetheless, the reading came in above 50, which indicates continued expansion in the private sector. While services activity slowed down amid price pressures, manufacturing output climbed to a 21-month high.

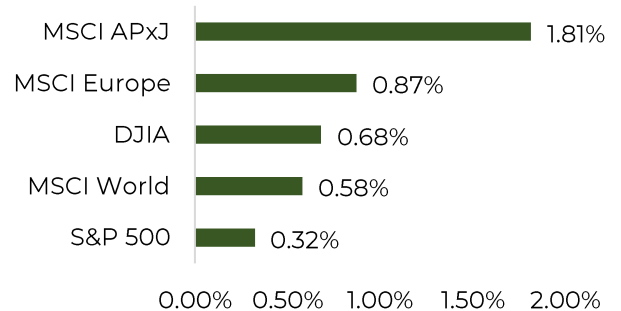
The Swiss National Bank (SNB), Switzerland's central bank, surprised the market and cut its main policy rate by 25 bps to 1.50%. Switzerland is the first advanced economy to cut rates following a prolonged period of high inflation. SNB also reduced its annual average inflation forecast to 1.4% in 2024 (previously 1.6%).

US equities climbed as the markets continued to weigh the US Fed's unchanged rate cut projections this year. This was also after the Swiss National Bank unexpectedly cut its policy rate to 1.5%. The S&P 500 closed at 5,241.53 (+0.32% DoD) and the DJIA closed at 39,781.37 (+0.68% DoD).

US Treasury yields fell as investors continued to digest the US Fed's dovish projections on the policy rate path. On average, yields fell by 3.17 bps, with the 2Y closing at 4.64% (-4.90 bps) and the 10Y closing at 4.27% (-2.60 bps).

The **US dollar** strengthened following the improving S&P manufacturing PMI and the declining initial weekly jobless claims data. The DXY closed at 104.01 (+0.60% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,241.53	+0.32%
DJIA	39,781.37	+0.68%
3-mo US Treasury yield	5.41%	+0.90 bps
2-yr US Treasury yield	4.64%	-4.90 bps
10-yr US Treasury yield	4.27%	-2.60 bps
DXY	104.01	+0.60%

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