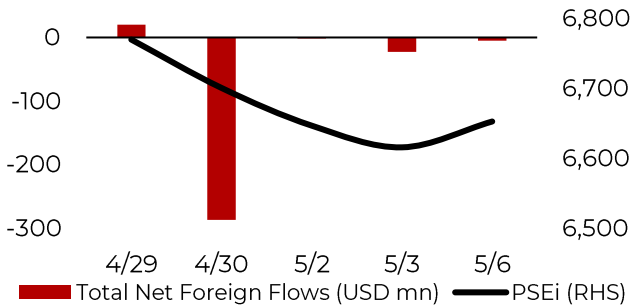


The Morning View

May 7, 2024

Philippine Stock Exchange Index

+0.56% DoD; Net foreign selling: \$4.89mn



	Level	DoD
PSEi	6,652.49	+0.56%
3-mo bond yield	5.81%	-4.49 bps
2-yr bond yield	6.51%	-1.43 bps
10-yr bond yield	6.91%	-8.30 bps
USDPHP	57.22	-0.22%
Oil (Brent, \$ / barrel)	83.33	+0.45%

Bangko Sentral ng Pilipinas (BSP) Governor Remolona says the central bank has room to maintain its policy rate despite a pickup in inflation. Remolona said that the BSP may cut once inflation hovers around 3% for several months and that any easing would likely only be 25 bps, barring any significant economic slowdown.

International Container Terminal Services, Inc. (Ticker: ICT) reported an attributable net income of \$209.88 million in 1Q24 (+36% YoY), boosted by its international portfolio. Despite a decline in volume handled, revenues still grew to \$637.65 million (+11% YoY) amid the improvement in trade activities at certain terminals.

Local equities climbed on the back of bargain hunting. Investors also awaited the release of the local inflation print for April. The PSEi closed at 6,652.49 (+0.56% DoD).

Local fixed income yields fell amid growing hopes of a potential US Fed rate cut after US nonfarm payrolls rose slower-than-expected in April. On average, yields fell by 4.66 bps, with the 2Y closing at 6.51% (-1.43 bps) and the 10Y closing at 6.91% (-8.30 bps).

The **Philippine peso** strengthened ahead of the local inflation print and 1Q24 GDP data release. Investors also weighed hawkish remarks from BSP Governor Remolona. The USD/PHP pair closed at 57.22 (-0.22% DoD).

Richmond Federal Reserve President Thomas Barkin said that the Fed can afford to be patient in terms of cutting rates. He noted that he has not yet seen much progress in inflation this year, but economic growth and the labor market remain strong.

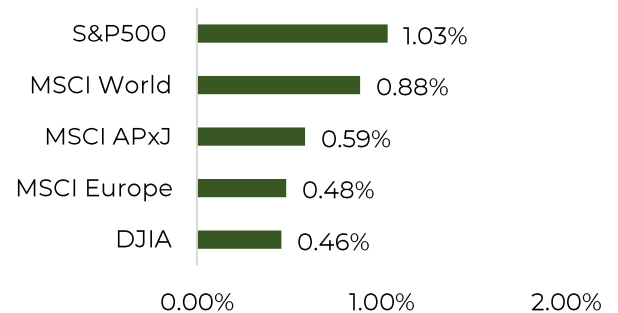
Palestinian militant group Hamas agreed to the Gaza ceasefire proposal from mediators. However, Israel said that the truce proposal fell short of its demands and continued with its strikes in Rafah while planning for negotiations.

US equities rose as investors continued to digest the slower-than-expected US nonfarm payrolls which boosted hopes of rate cuts from the Fed. The S&P 500 closed at 5,180.74 (+1.03% DoD) and the DJIA closed at 38,852.27 (+0.46% DoD).

US Treasury yields were mixed as investors continued to digest the lower-than-expected nonfarm payrolls data and Richmond Fed President Barkin's recent comment that policymakers have time to gain greater confidence on the sustained downward trend of inflation. On average, yields fell by 1.05 bps, with the 2Y closing at 4.84% (+1.50 bps) and the 10Y closing at 4.49% (-2.30 bps).

The **US dollar** was flat as rate cut expectations following the lower-than-expected nonfarm payrolls data were offset by hawkish comments from Richmond Fed President Barkin. The DXY closed at 105.05 (+0.02% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,180.74	+1.03%
DJIA	38,852.27	+0.46%
3-mo US Treasury yield	5.41%	-0.10 bps
2-yr US Treasury yield	4.84%	+1.50 bps
10-yr US Treasury yield	4.49%	-2.30 bps
DXY	105.05	+0.02%

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