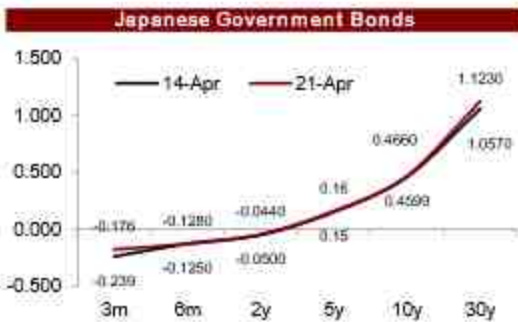


April 24, 2023

Global equities were mixed as investors digested a slew of economic data and corporate earnings releases. Global yields rose following expectations of further rate hikes from the US Fed and ECB. Global oil prices declined amid lingering uncertainty on the demand outlook.



- ✓ **US equities** slightly fell as investors weighed a mixed bag of corporate earnings results and a potential Fed rate hike in May. The S&P 500 closed at 4,133.52 (-0.10% WoW) and the DJIA closed at 33,808.96 (-0.23% WoW).
- ✓ **Asian equities** fell amid recession concerns following the weaker-than-expected Philadelphia Fed's US factory gauge and the jump in the US jobless claims. The MSCI APJ closed at 518.02 (-1.93% WoW).
- ✓ **European equities** rose as investors weighed latest corporate earnings releases and Eurozone's upbeat composite PMI which rose to its 11-month high at 54.4 for the month of April. The MSCI Europe closed at 157.70 (+0.50% WoW).



- ✓ **US Treasury yields** went up as investors digested a potential rate hike by the Fed in its May policy meeting following hawkish remarks from Fed officials. On average, yields rose by 4.78 bps WoW with the 10Y closing at 3.57% (+5.90 bps).
- ✓ **German bund yields** rose amid expectations of further rate hikes from the European Central Bank after core Eurozone inflation, which excludes food & fuel prices, accelerated to 7.5% in March. On average, yields rose by 4.70 bps WoW with the 10Y closing at 2.48 (+4.10 bps).
- ✓ **Japanese bond yields** rose as investors digested the March core inflation at 3.1% YoY, unchanged from February's pace, but still well above the BOJ's 2% target. On average, yields rose by 2.43 bps WoW with the 10Y closing at 0.47% (+0.70 bps).
- ✓ **Key events that transpired during the week:**
- ✓ **The US Department of Labor reported 245,000 jobless claims in the week ending April 15.** This is higher than the revised figure of 240,000 last week and market expectations of 240,000.
- ✓ **The People's Bank of China left interest rates unchanged amid signs of economic recovery.** The both the one-year loan prime rate (LPR) and 5-year LPR were at 3.65% and 4.30% respectively.

- ✓ **Global oil prices** fell amid continued uncertainty on outlook and uptick on the US weekly jobless claims which increased bets of lower-than-expected US fuel demand. Brent oil closed at \$81.86 per barrel (-5.39% WoW), while WTI crude closed at \$77.87 per barrel (-5.63% WoW).

Commodities

Commodity	21-Apr-2023	% Change
Brent	81.86	-5.39%
WTI	77.87	-5.63%
BBG Commodity Index	105.58	-2.08%

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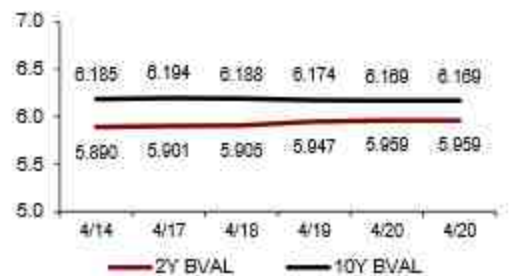


Local equities rose, local fixed income yields went up, and the Philippine peso weakened as investors weighed latest corporate earnings releases while watching out for cues on the US Fed's next policy move.

- ✓ **Local equities** rose as strong corporate earnings drove investor optimism. However, a slowdown in cash remittances growth in February and hawkish Fed sentiment capped gains. The PSEI closed at 6,520.44 (+0.59% WoW).
- ✓ Top performers were Wilson Depot, Inc. (PSE Ticker: WLCON; +4.48%), BDO Unibank Inc. (BDO; +3.05%), and Universal Robina Corporation (URC; +2.69%). Meanwhile, Semirara Mining and Power Corporation (PSE Ticker: SCC; -2.10%), GT Capital Holdings, Inc. (GTCAP; -2.87%), and Alliance Global Group, Inc. (AGI; -3.04%) were the laggards of the week.
- ✓ **Key events that transpired during the week:**
- ✓ **PLDT Inc. (PSE Ticker: TEL)** disclosed that five of its key officers have voluntarily separated from service starting April 14. The company announced the early retirement of Anabelle L. Chus, its senior vice-president, chief financial officer (CFO) and chief risk management officer, along with Mario G. Tsnayo, senior vice-president and network head.
- ✓ **MREIT Inc. (PSE Ticker: MREIT)**, the Real Estate Investment Trust (REIT) business of Megaworld Corporation (PSE Ticker: MEG), posted a distributable income amounting to Php2.5 billion in 2022, more than double the Php1.1 billion reported in 2021. Revenues grew to Php3.6 billion from Php1.5 billion despite headwinds faced by the office industry. The company reported an average occupancy of 96%.



Local Bond Market Movements



- ✓ The Philippine peso weakened as investors digested relatively hawkish remarks from US Fed officials and the potential pause in the BSP's tightening cycle next month. The USD/PHP pair closed at 56.02 (+1.47% WoW).
- ✓ The Euro slightly weakened despite Eurozone's upbeat business activity data as investors weighed hawkish remarks from Fed officials which buoyed the US Dollar. The EUR/USD pair closed at 1.10 (-0.05% WoW).

- ✓ Local fixed income yields rose on hawkish sentiment from the Federal Reserve. Increased consumer confidence reported by the BSP and upward revisions to GDP forecasts from the IMF also boosted sentiment and pushed yields higher. On average, yields rose by 8.86 bps WoW with the 10Y closing at 6.17% (-1.63 bps).
- ✓ **Key events that happened during the week:**
- ✓ According to the Bangko Sentral ng Pilipinas, OFW cash remittances softened in February, recording its slowest growth since May 2022. Cash remittances rose by 2.4% YoY to \$2.57 billion, but declined from January's \$2.51 billion, as global economic recovery gradually falls off.
- ✓ The International Monetary Fund is confident the Philippines will continue its economic growth momentum this year amid the China reopening and robust domestic demand. The IMF recently revised its GDP forecast for the Philippines to 6%, on the low-end of the government's 6-7% target.

Foreign Exchange

Pair	Previous Close 04/14/23	Closing 04/21/23
USD/PHP	55.210	56.020
EUR/USD	1.0992	1.0986

Foreign Exchange



Sources: BPI, Business World, PDI, PH Star, Manila Bulletin, Reuters, Briefing, Bloomberg, CNN, Dow Jones, The Wall Street Journal, CNBC



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