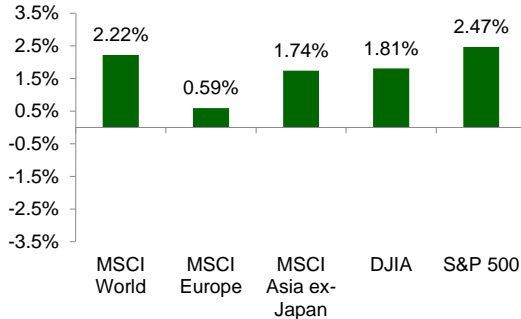


# THE WEEKLY REVIEW

January 30, 2023

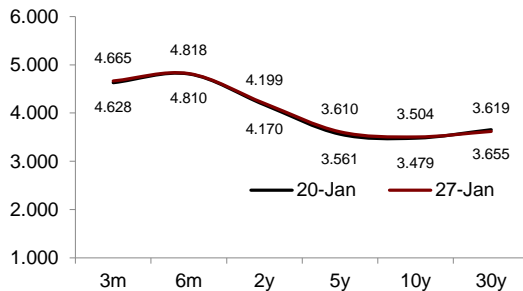
Global equities and global yields were mixed as investors digested a mixed bag of corporate earnings results, monetary policy expectations from major central banks, and economic data releases. Global oil prices rose amid recovering Chinese demand.

## Global Equities

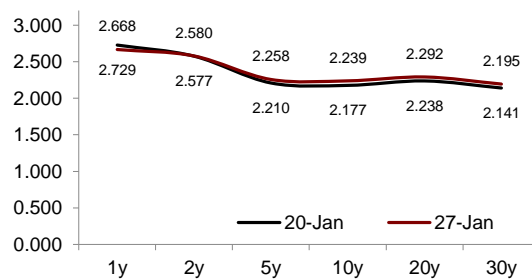


- ✓ **US equities** gained following the stronger-than-expected 4Q2022 US GDP and positive corporate earnings results. US GDP grew by 2.9% quarter-on-quarter in 4Q22, ahead of the consensus estimate of 2.6%. The DJIA closed at 33,978.08 (+1.81% WoW), while the S&P 500 closed at 4,070.56 (+2.47% WoW).
- ✓ **Asian equities** rose as the stronger-than-expected US GDP and China's reopening lifted investors' sentiment. The MSCI APxJ closed at 559.71 (+1.74% WoW).
- ✓ **European equities** went up following the stronger-than-expected US GDP data and upbeat corporate earnings results. The MSCI Europe closed at 152.68 (+0.59% WoW).

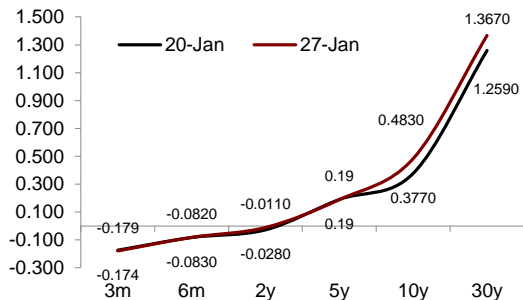
## US Treasuries



## German Bunds



## Japanese Government Bonds



- ✓ **US Treasury yields** rose amid positive sentiment over the stronger-than-expected 4Q22 GDP data. On average, yields rose by 1.85 bps WoW with the 10Y closing at 3.50% (+2.48 bps).
- ✓ **German bund yields** rose as investors looked ahead of the European Central Bank's (ECB) policy meeting this week. Investors are expecting the ECB to raise interest rates by another 50 bps. On average, yields rose by 2.67 bps WoW with the 10Y closing at 2.24% (+6.20 bps).
- ✓ **Japanese bond yields** climbed on growing expectations that the Bank of Japan will drop its yield-curve control policy sooner than later. On average, yields went up by 3.77 bps WoW with the 10Y closing at 0.48% (+10.60 bps).
- ✓ **Key events that transpired during the week:**
- ✓ **The US Commerce Department reported** that US GDP rose at an annualized pace of 2.9% in 4Q22, ahead of Bloomberg consensus at 2.6%. Government spending and private investment helped buoy GDP despite a slowdown in consumption and housing.
- ✓ **The S&P Global Eurozone composite PMI**, which covers manufacturing and services activity, unexpectedly breached the 50-point mark and settled at 50.2 in January, up from 49.3 in the previous month and ahead of consensus estimate of 49.8. A level above the 50-mark signals growth.

- ✓ **Global oil prices** fell as strong Russian oil supply had offset news on better-than-expected US economic growth figures, strong refining margins, and optimism for a quick recovery in Chinese demand. Brent oil closed at \$86.66 per barrel (-1.11% WoW), while WTI crude closed at \$79.68 per barrel (-2.00% WoW).

## Commodities

\$bbl	27-Jan-2023	% Change
Brent	86.66	-1.11%
WTI	79.68	-2.00%
BBG Commodity index	111.61	-0.46%

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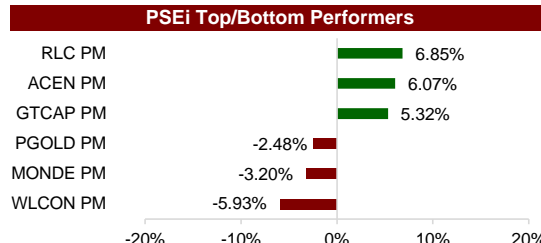
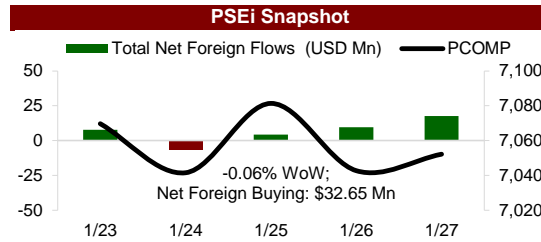
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# THE WEEKLY REVIEW

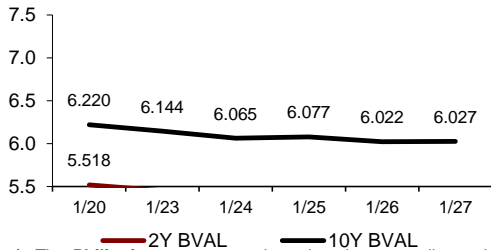
January 30, 2023

**Local equities rose on optimism ahead of the 4Q22 Philippine GDP data release. Local fixed income yields declined on slower rate hike expectations from the Fed. The Philippine peso strengthened on positive remittances data.**

- ✓ **Local equities** slightly fell amid profit-taking as investors digested the release of the stronger-than-expected GDP data and the PSEi rebalancing. The Philippine 4Q22 GDP data rose by 7.2% YoY, above the 6.6% consensus estimate. The PSEi finished at 7,052.16 (-0.06% WoW).
- ✓ Top performers were Robinsons Land Corporation (PSE Ticker: RLC; +6.85%), ACEN Corporation (ACEN; +6.07%), and GT Capital Holdings, Inc. (GTCAP; +5.32%). Meanwhile, Puregold Price Club, Inc. (PSE Ticker: PGOLD; -2.48%), Monde Nissin Corporation (MONDE; -3.20%), and Wilcon Depot, Inc. (WLCON; -5.93%) were the laggards of the week. **Key events that transpired during the week:**
- ✓ **DMCI Holdings Inc. (PSE Ticker: DMC)** and **Union Bank of the Philippines (PSE Ticker: UBP)** will be included in the Philippine Stock Exchange Index starting February 6. These companies will replace Megaworld Corp. (PSE Ticker: MEG) and Robinsons Land Corp. (PSE Ticker: RLC).
- ✓ **Converge ICT (PSE Ticker: CNVRG)** deployed more than two million fiber ports nationwide. The company said it is on track of reaching its target to cover approximately 55% of homes nationwide in 2023. It also earmarked Php21 to Php23 billion in capital expenditures this year.



## Local Bond Market Movements



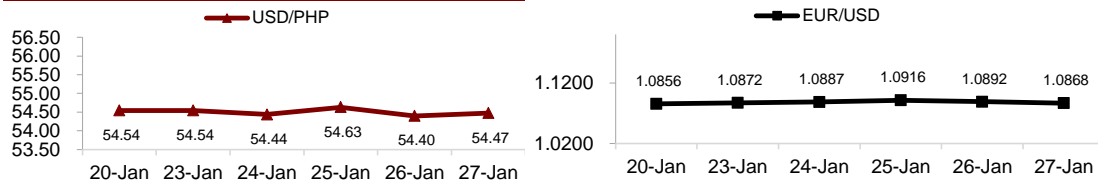
- ✓ The **Philippine peso** strengthened as investors digested the upbeat local GDP growth data which rose by 7.6% in FY2022, above the government's target of 6.5%-7.5%. The USD/PHP pair closed at 54.47 (-0.13% WoW).
- ✓ The **Euro** strengthened amid bets of further rate hike and hawkish comments from ECB officials. The EUR/USD pair closed at 1.09 (+0.11% WoW).

- ✓ **Local fixed income yields** fell as investors positioned ahead of the US Fed and BSP policy meetings. On average, yields fell by 13.78 bps WoW with the 10Y closing at 6.03% (-19.25 bps). Key events that happened during the week:
- ✓ **The Philippine Statistics Authority** reported that 4Q22 GDP grew by 7.2%, stronger than consensus expectations of 6.6%. This brought the full year 2022 GDP to 7.6%, above the government's 6.5-7.5% target. The 4Q growth was underpinned by strong consumption amid significant improvement in alcoholic beverages, tobacco, as well as restaurant and hotel spending.
- ✓ **The Department of Budget and Management** reported that **infrastructure** spending rose to Php80.2 billion in November, a 38.4% jump from a year ago. It attributed the bulk of the spending to the projects of the Department of Public Works and Highways such as construction, improvement, repair and rehabilitation of various structures.

## Foreign Exchange

Pair	Type	Value
USD/PHP	Previous Close 01/20/23	54.540
	Closing 01/27/23	54.470
EUR/USD	Previous Close 01/20/23	1.0856
	Closing 01/27/23	1.0868

## Foreign Exchange



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

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