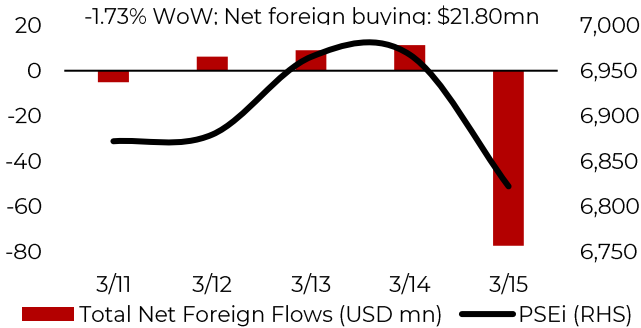


# The Weekly Review

MARCH 18, 2024

## Philippine Stock Exchange Index



**The local equity market declined** as investors digested a slew of economic data in the US. This includes the mixed jobs report and above-consensus inflation data for February, which tempered early rate cut expectations from the US Fed.

Top performers were LT Group, Inc. (PSE Ticker: LTG; +8.54%), PLDT Inc. (TEL; +4.23%), and Metropolitan Bank & Trust Company (MBT; +2.38%). Meanwhile, ACEN Corporation (PSE Ticker: ACEN; -7.35%), Emperor Inc. (EMI; -9.14%), and Wilcon Depot, Inc. (WLCON; -9.52%) were the laggards of the week.

▼ The PSEi closed at 6,822.32 (-1.73% WoW).

**Local fixed income yields fell** as investors brushed aside the higher-than-expected inflation prints in the US. This was also amid strong demand on the 10-year Treasury bond offering of the Bureau of the Treasury last Tuesday.

▼ On average, yields fell by 2 bps, with the 2Y closing at 6.03% (-9 bps) and the 10Y closing at 6.22% (-3 bps).

**The Philippine peso remained relatively flat** following the narrower local trade deficit in January which showed a rebound in exports. Investors also digested a slew of key US economic data including higher-than-expected inflation and mixed labor data.

▼ The USD/PHP pair closed at 55.53 (-0.07% WoW).

	Level	WoW
PSEi	6,822.32	-1.73%
3-mo bond yield	5.77%	+0.77 bps
2-yr bond yield	6.03%	-8.82 bps
10-yr bond yield	6.22%	-3.39 bps
USDPHP	55.53	-0.07%
Oil (Brent, \$ / barrel)	85.34	+3.97%

**The US stock markets fell** as investors digested the higher-than-expected February inflation in the US. The Consumer Price Index (CPI) rose to 3.2% YoY, while the US Producer Price Index (PPI) jumped to 1.6% YoY. Consequently, hopes of a rate cut as early as June were tempered.

▼ S&P 500 closed at 5,117.09 (-0.13% WoW).

▼ DJIA closed at 38,714.77 (-0.02% WoW).

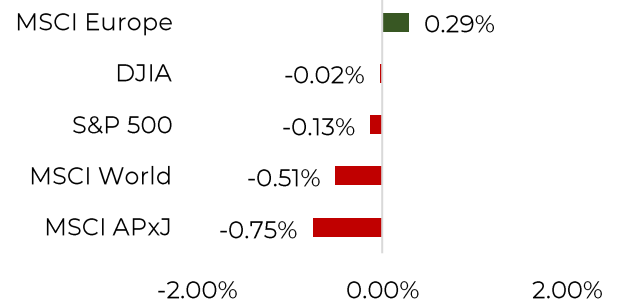
**US Treasury yields rose** as investors weighed the higher-than-expected US CPI and PPI prints in February and their implications on the timing of US Fed rate cuts.

▲ On average, yields rose by 11 bps, with the 2Y closing at 4.73% (+20 bps) and the 10Y closing at 4.31% (+12 bps).

The **US dollar strengthened** after the faster-than-expected US headline and core CPI inflation pushed back expectations on the timing of the policy rate cut by the Fed.

▲ The DXY closed at 103.43 (+0.70% WoW).

## Global Stock Indices



	Level	WoW
S&P 500	5,117.09	-0.13%
DJIA	38,714.77	-0.02%
3-mo US Treasury yield	5.42%	+3.40 bps
2-yr US Treasury yield	4.73%	+19.70 bps
10-yr US Treasury yield	4.31%	+12.40 bps
DXY	103.43	+0.70%