

April 13, 2023

## LOCAL MARKETS

Local equities fell amid disappointing domestic economic data. Local fixed income yields declined and the Philippine peso weakened ahead of the US inflation data release.

### Key Events

- ✓ The **Chamber of Automotive Manufacturers of the Philippines, Inc. (CAMPI)** and **Truck Manufacturers Association (TMA)** reported that new vehicle sales grew 24% YoY to 36,880 units in March driven by strong consumer demand. On a month-on-month basis, March vehicle sales rose by 19.3% from the 30,905 units sold in February. 73% of the industry's total sales may be attributed to the commercial vehicle segment.
- ✓ **Robinsons Land Corp.'s (PSE Ticker RLC)** residential segment, RLC Residences, announced the launch of its fourth condominium building in Sierra Valley Gardens along Ortigas Avenue in Cainta, Rizal. The units range from 22 to 66 sqm and are equipped with smart home features.

### Equities

- ✓ **Local equities** continued to decline amid disappointing local economic data. Sentiment turned negative after January foreign direct investments (FDI) fell 45.7% YoY and January imports and exports slumped to their lowest level in two years. The PSEi closed at 6,469.42 (-0.16% DoD).

### Bond Market Movement

Tenor	Change	Yield	Tenor	Change	Yield
3 months	-0.1832	5.0065	5 years	-0.0055	5.9149
6 months	-0.3698	5.3117	7 years	-0.0664	5.9669
1 year	-0.3424	5.6843	10 years	-0.0391	6.1136
2 years	+0.1592	6.0176	20 years	-0.0934	6.3401
3 years	+0.0165	5.8789	30 years	+0.0015	6.4313
4 years	+0.0211	5.9044			

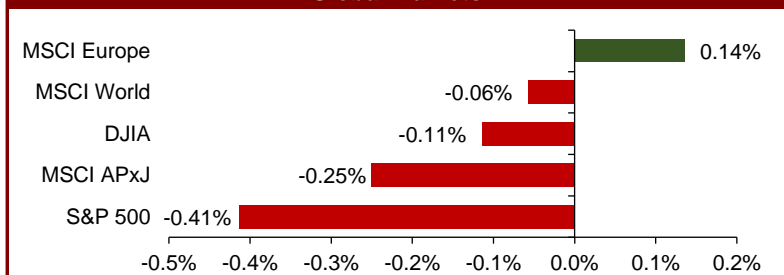
### Foreign Exchange

	Previous	Close	Previous	Close
PHP/USD*	54.930	55.220	EUR/USD	1.0912
				1.0992

## OVERSEAS MARKETS

Global equities mostly fell, the US Treasury yields declined, and the US Dollar weakened further as investors weighed Fed's March policy meeting minutes and latest US inflation print.

### Global Markets

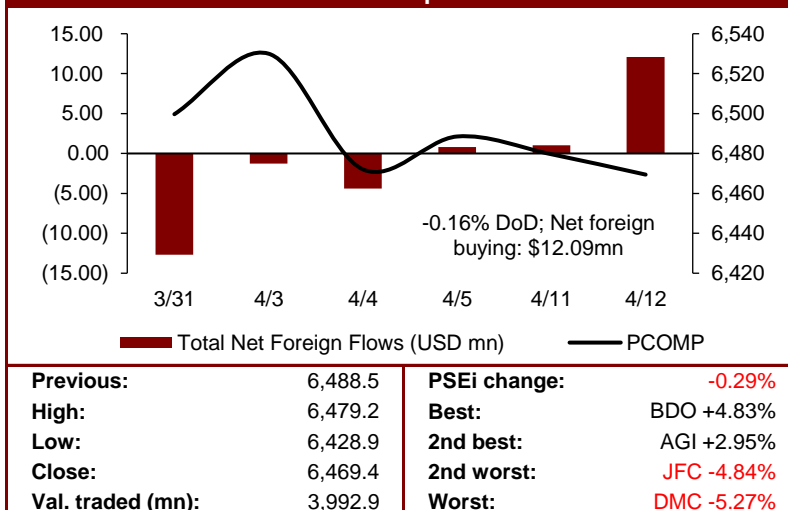


### US Treasuries

Tenor	Change	Yield	Tenor	Change	Yield
3 months	+0.0305	4.9446	5 years	-0.0655	3.4625
6 months	-0.0133	4.9160	10 years	-0.0356	3.3906
2 years	-0.0646	3.9578	30 years	+0.0052	3.6248

- ✓ **US equities** fell as investors looked past the positive March CPI data which showed inflation cooled more than expected. Sentiment was dented by recession concerns after the Fed warned that the economy could tilt to a mild recession amid the banking fallout. The S&P 500 closed at 4,091.95 (-0.41% DoD) and the DJIA closed at 33,646.50 (-0.11% DoD).
- ✓ **Asian equities** further declined ahead of the US CPI data to be released overnight as investors anticipate the next Fed move. Geopolitical tensions between China and the US also weighed on sentiment after Taiwan President Tsai Ing-Wen's overseas state visit to the US. The MSCI APxJ closed at 524.76 (-0.25% DoD).
- ✓ **European equities** rose amid increasing bets that the US Fed may pause its rate hikes after March US headline inflation print eased. The MSCI Europe closed at 155.43 (+0.14% DoD).
- ✓ **US Treasury yields** fell as investors digested minutes of the Fed's March policy meeting and the March inflation report which eased to +0.1% MoM, slower than +0.4% in February. On average, yields fell by 2.39 bps, with the 2Y closing at 3.96% (-6.46 bps) and the 10Y closing at 3.39% (-3.56 bps).
- ✓ The **US Dollar** weakened as investors focused on the release of US CPI data which continued to show signs of cooling. US CPI rose 5.0% YoY in March, down from 6.0% in February. The DXY closed at 101.50 (-0.69%).

### PSEi Snapshot



### Fixed Income

- ✓ **Local fixed income yields** fell ahead of the US inflation print release. Moreover, this was also after the Bureau of the Treasury raised Php25 billion from the reissued 10-year bonds it awarded yesterday. On average, yields declined by 8.20 bps, led by the short end of the curve which went down by 18.41 bps.

### Philippine peso

- ✓ The **Philippine Peso** weakened ahead of the US inflation data release and as investors weighed mixed remarks from US Fed officials. Philadelphia Fed Bank President Patrick Harker said he believes the end of rate hikes may be near, while Chicago Fed President Austan Goolsbee commented that the Fed should be patient about raising rates amid the recent banking sector stress. The USD/PHP pair closed at 55.22 (+0.53% DoD).

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