

April 17, 2023

## LOCAL MARKETS

Local equities rose, local fixed income yields were mixed, and the Philippine peso strengthened on cooling US inflation and various economic data.

### Key Events

- ✓ 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.
- ✓ **Robinsons Land Corporation's (PSE Ticker: RLC) Residences** is planning to launch two to four more projects in 2023 as it expects continued growth in the demand for residential condominiums. The company said that it is looking at launching the new projects in Metro Manila.

### Equities

- ✓ **Local equities** rose as investors positively received the news of cooling inflation in the US even after the latest Fed speak pointed to a possible recession in the near term. The PSEI closed at 6,481.91 (+0.51% DoD).

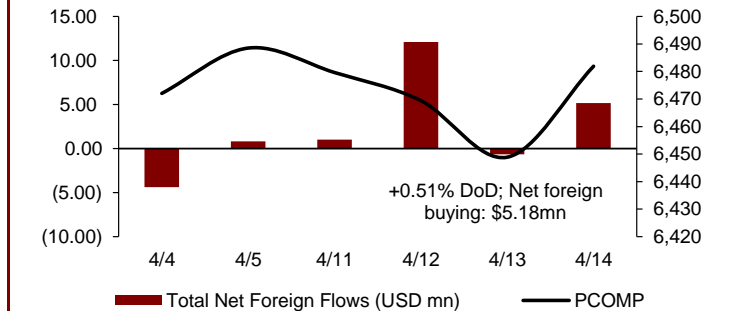
### Bond Market Movement

Tenor	Change	Yield	Tenor	Change	Yield
3 months	+0.0816	5.4374	5 years	-0.0138	5.9147
6 months	+0.0448	5.7605	7 years	+0.0042	6.0210
1 year	+0.0029	5.9998	10 years	+0.0096	6.1850
2 years	-0.0179	5.8899	20 years	-0.0003	6.4361
3 years	-0.0460	5.8723	30 years	-0.0044	6.4353
4 years	-0.0319	5.8853			

### Foreign Exchange

	Previous	Close		Previous	Close
PHP/USD*	55.260	55.210	EUR/USD	1.1046	1.0992

### PSEI Snapshot



<b>Previous:</b>	6,448.9	<b>PSEi change:</b>	0.51%
<b>High:</b>	6,481.9	<b>Best:</b>	SMPH +2.89%
<b>Low:</b>	6,445.6	<b>2nd best:</b>	SM +2.26%
<b>Close:</b>	6,481.9	<b>2nd worst:</b>	AC -1.79%
<b>Val. traded (mn):</b>	3,091.1	<b>Worst:</b>	AGI -2.40%

### Fixed Income

- ✓ **Local fixed income yields** were mixed on signs of cooling inflation in the US. On average, yields rose by 0.26 bps, led by the short end of the curve which rose by 2.78 bps.

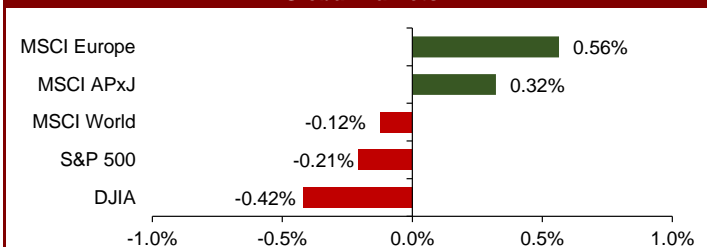
### Philippine peso

- ✓ The **Philippine Peso** slightly strengthened as investors digested a slew of US economic data including slowing retail sales and cooling inflation. The USD/PHP pair closed at 55.21 (-0.09% DoD).

## OVERSEAS MARKETS

Global equities were mixed, US Treasury yields went up, and the US Dollar strengthened following economic data releases and as investors positioned ahead of the first quarter earnings season.

### Global Markets



### US Treasuries

Tenor	Change	Yield	Tenor	Change	Yield
3 months	+0.0292	4.9861	5 years	+0.1053	3.6056
6 months	+0.0513	4.9746	10 years	+0.0679	3.5128
2 years	+0.1306	4.0989	30 years	+0.0475	3.7348

- ✓ **US equities** fell after retail sales data came in weaker than expected, declining by 1% against expectations of -0.5%. But optimism on stronger-than-expected earnings from the first batch of corporate reports capped losses. The S&P 500 closed at 4,137.64 (-0.21% DoD) and the DJIA closed at 33,886.47 (-0.42% DoD).
- ✓ **Asian equities** climbed on bets of easing monetary policy in the US. Signs of economic growth in China also supported the markets as economists estimate China to have closed the first quarter with a 4.0% GDP growth, ahead of the 2.9% seen last quarter. The MSCI APxJ closed at 528.22 (+0.32% DoD).
- ✓ **European equities** rose as investors weighed cooling pace of the US producer price index (PPI) and the start of the first quarter corporate earnings season. The MSCI Europe closed at 156.92 (+0.56% DoD).
- ✓ **US Treasury yields** rose with weaker retail sales data in March, down 1% MoM, from February's -0.2% amid soft sales of autos and electronics. On average, yields rose by 7.20 bps, with the 2Y closing at 4.10% (+13.06 bps) and the 10Y closing at 6.79% (+3.51 bps).
- ✓ The **US Dollar** strengthened as investors assessed lingering recession concerns & recent economic data. The DXY closed at 101.55 (+0.54% DoD).

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