

April 18, 2023

LOCAL MARKETS

Local equities rose, local fixed income yields went up, and the Philippine peso weakened as investors positioned ahead of the economic data releases while taking cues from central banks.

Key Events

- ✓ According to the **Bangko Sentral ng Pilipinas (BSP)**, 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.
- ✓ **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. Chua, its senior vice-president, chief financial officer (CFO) and chief risk management officer, along with Mario G. Tamayo, senior vice-president and network head.

Equities

- ✓ **Local equities** rose as investors looked ahead to this week's economic data releases and as they wait for more cues from central banks. The PSEi closed at 6,505.62 (+0.37% DoD).

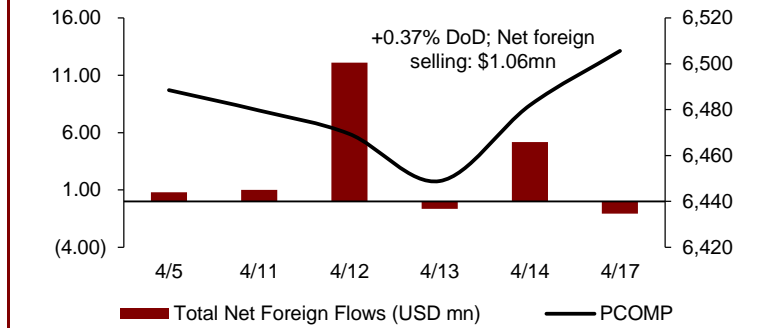
Bond Market Movement

Tenor	Change	Yield	Tenor	Change	Yield
3 months	+0.1771	5.6145	5 years	+0.0019	5.9166
6 months	+0.0652	5.8257	7 years	-0.0054	6.0156
1 year	+0.0362	6.0360	10 years	+0.0094	6.1944
2 years	+0.0115	5.9014	20 years	-0.0002	6.4359
3 years	+0.0136	5.8859	30 years	+0.0010	6.4363
4 years	+0.0085	5.8938			

Foreign Exchange

	Previous	Close	Previous	Close
PHP/USD*	55.210	55.850	EUR/USD	1.0992 1.0926

PSEi Snapshot



Previous:	6,481.9	PSEi change:	0.37%
High:	6,505.6	Best:	AC +3.97%
Low:	6,425.1	2nd best:	WLCON +3.15%
Close:	6,505.6	2nd worst:	MBT -1.97%
Val. traded (mn):	2,783.6	Worst:	BDO -2.80%

Fixed Income

- ✓ **Local fixed income yields** went up amid improving investors sentiment with the upgraded PH GDP forecast of IMF and uptick in consumer confidence as reported by the BSP. On average, yields rose by 2.90 bps, led by the short end of the curve which rose by 7.25 bps.

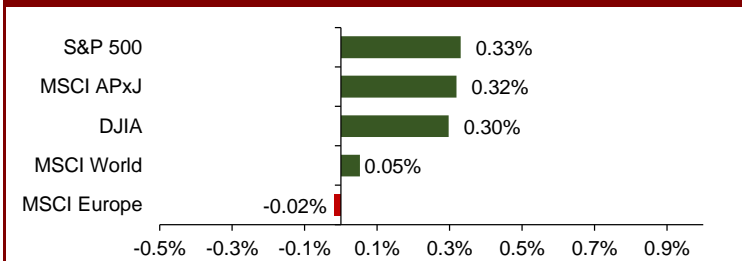
Philippine peso

- ✓ The **Philippine Peso** weakened to a 3-month low after Fed official Christopher J. Waller commented that US central bankers "haven't made much progress" in returning inflation to their 2% target and still need to move interest rates higher. The USD/PHP pair closed at 55.85 (+1.16% DoD).

OVERSEAS MARKETS

Global equities mostly rose, US Treasury yields went up, and the US Dollar continued to strengthen as investors digested another round of corporate earnings and economic data releases.

Global Markets



US Treasuries

Tenor	Change	Yield	Tenor	Change	Yield
3 months	+0.0045	4.9906	5 years	+0.0922	3.6978
6 months	+0.0420	5.0166	10 years	+0.0876	3.6004
2 years	+0.0953	4.1942	30 years	+0.0759	3.8107

- ✓ **US equities** rose as investors assessed the latest batch of first quarter corporate earnings. Investors remained cautious against further monetary policy tightening as earnings show that the economy is holding up despite recession fears. The S&P 500 closed at 4,151.32 (+0.33% DoD) and the DJIA closed at 33,987.18 (+0.30% DoD).
- ✓ **Asian equities** were mixed but edged higher on average as investors digest implications of recent data to economic growth & inflation and as they look ahead to China data. The MSCI APxJ closed at 529.90 (+0.32% DoD).
- ✓ **European equities** slightly fell as investors keep an eye on first quarter corporate earnings. The MSCI Europe closed at 156.89 (-0.02% DoD).
- ✓ **US Treasury yields** increased as investors watched out for Fed's cues ahead of the blackout period while also weighing economic hints from recent corporate earnings releases. On average, yields rose by 6.63 bps, with the 2Y closing at 4.19% (+9.53 bps) and the 10Y closing at 3.60% (+8.76 bps).
- ✓ The **US Dollar** strengthened after the increase in New York state factory activity for the first time in five months in April bolstered expectations that the Fed will hike rates further. The DXY closed at 102.10 (+0.54% DoD).

