

April 19, 2023

## LOCAL MARKETS

Local equities fell and local fixed income yields went up as sentiment was dented by the slower OFW remittances growth data and the depreciation of the Philippine Peso.

### Key Events

- ✓ The **Department of Agriculture (DA)** assured the public that there is sufficient rice supply amid increasing concerns on the looming El Nino phenomenon with an expectation of supply surge from March and April harvests. Meanwhile, an official of farmers' group of Federation of Free Farmers warned potential shortage in the third quarter of the year.
- ✓ **MREIT Inc. (PSE Ticker: MREIT)**, the Real Estate Investment Trust (REIT) business of **Megaworld Corporation (PSE Ticker: MEG)**, posted a distributable income amounting to Php2.5 billion in 2022, more than double the Php1.1 billion reported in 2021. Revenues grew to Php3.6 billion from Php1.5 billion despite headwinds faced by the office industry. The company reported an average occupancy of 96%.

### Equities

- ✓ **Local equities** fell as the slower cash remittances growth in February and the depreciation of the Peso to the Php56 level against the US dollar weighed on sentiment. The PSEi closed at 6,464.72 (-0.63% DoD).

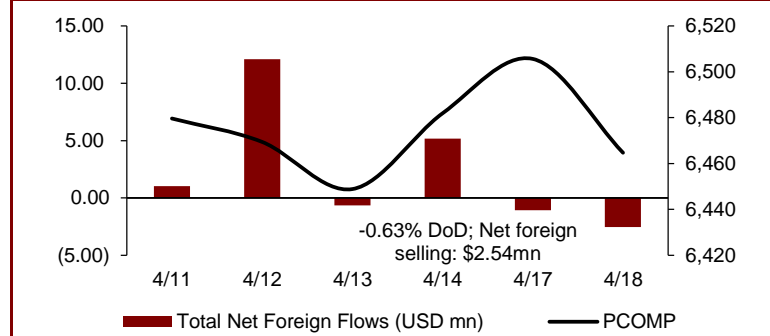
### Bond Market Movement

Tenor	Change	Yield	Tenor	Change	Yield
3 months	+0.0120	5.6265	5 years	+0.0240	5.9406
6 months	+0.0465	5.8722	7 years	+0.0087	6.0243
1 year	+0.0760	6.1120	10 years	-0.0060	6.1884
2 years	+0.0038	5.9052	20 years	+0.0063	6.4422
3 years	+0.0109	5.8968	30 years	+0.0036	6.4399
4 years	+0.0201	5.9139			

### Foreign Exchange

	Previous	Close	Previous	Close
PHP/USD*	55.850	56.140	EUR/USD	1.0926
				1.0972

### PSEi Snapshot



<b>Previous:</b>	6,505.6	<b>PSEi change:</b>	-0.63%
<b>High:</b>	6,499.7	<b>Best:</b>	WLCON +2.71%
<b>Low:</b>	6,454.3	<b>2nd best:</b>	MBT +1.92%
<b>Close:</b>	6,464.7	<b>2nd worst:</b>	GTCAP -1.96%
<b>Val. traded (mn):</b>	2,009.3	<b>Worst:</b>	AC -3.66%

### Fixed Income

- ✓ **Local fixed income yields** rose as investors continued to weigh policy signals from the US Fed and the Bangko Sentral ng Pilipinas (BSP). On average, yields rose by 1.87 bps, led by the short end of the curve which went up by 3.46 bps.

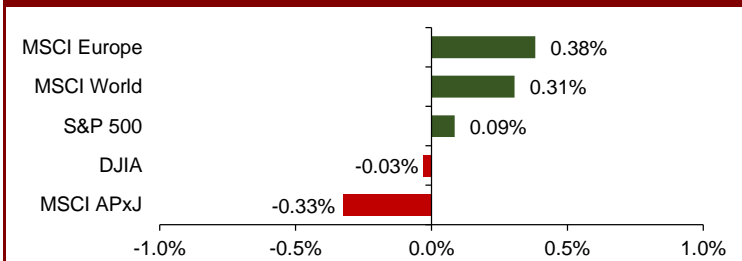
### Philippine peso

- ✓ The **Philippine Peso** weakened as investors digested relatively hawkish remarks from the US Fed and the possible pause in the BSP's tightening cycle next month. The USD/PHP pair closed at 56.14 (+0.52% DoD).

## OVERSEAS MARKETS

Global equities were mixed, US Treasury yields slightly rose, and the US Dollar weakened as investors continued to watch out for Fed rate hike cues, corporate earnings, and economic data releases.

### Global Markets



### US Treasuries

Tenor	Change	Yield	Tenor	Change	Yield
3 months	+0.0795	5.0701	5 years	-0.0192	3.6786
6 months	+0.0302	5.0468	10 years	-0.0248	3.5756
2 years	+0.0025	4.1967	30 years	-0.0233	3.7874

- ✓ **US equities** were little changed as investors assessed a mixed bag of corporate earnings results. Investors also considered Atlanta Fed President Bostic's statement saying that he anticipates one more 25-bp rate hike in May before holding rates steady for a time. The S&P 500 closed at 4,154.87 (+0.09% DoD) and the DJIA closed at 33,976.63 (-0.03% DoD).
- ✓ **Asian equities** were mixed but edged lower as China's upbeat economic data failed to improve sentiment in the region. However, China equities rose on the back of its first quarter GDP growing by 4.5% YoY (expectation: 4% YoY). The MSCI APxJ closed at 528.17 (-0.33% DoD).
- ✓ **European equities** rose amid improved sentiment with China's upbeat 1Q GDP. Investors also looked out for financial corps' earnings releases to assess the sector's health. The MSCI Europe closed at 157.49 (0.38% DoD).
- ✓ **US Treasury yields** were mixed but rose on average, as investors assessed recent remarks from Fed's Bullard & Bostic to gauge the central bank's potential rate hike path in its May policy meeting. On average, yields rose by 0.75 bps, with the 2Y closing at 4.20% (+0.25 bps) and the 10Y closing at 3.58% (-2.48 bps).
- ✓ The **US Dollar** weakened following the higher-than-expected GDP from China. The DXY closed at 101.75 (-0.35% DoD).

