

April 26, 2023

## LOCAL MARKETS

Local equities fell on profit-taking ahead of corporate earnings results. Local fixed income yields rose on fresh supply. The Philippine peso strengthened as the BSP expands hedging facility.

### Key Events

- ✓ The **Bangko Sentral ng Pilipinas (BSP)**, in partnership with the Japan International Cooperation Agency, launched its credit scoring model that will help lenders assess credit risk. The Credit Risk Database (CRD) scoring model will help lenders analyze the credit worthiness of micro-, small-, and medium-sized enterprises (MSME). The BSP hopes the CRD will help bridge the funding gap for MSMEs and help lenders with credit risk management.
- ✓ **SM Prime Holdings Inc. (PSE Ticker: SMPH)** is planning to launch its first real estate investment trust (REIT) in 2H2023. The company expects to raise \$1 billion from the targeted listing. Total valuation for the REIT is estimated to be around \$3.5 billion to \$4 billion.

### Equities

- ✓ **Local equities** tumbled on profit-taking after Monday's rally. Investors also braced for a batch of US & local corporate earnings results and a set of US economic data releases. The PSEI closed at 6,593.39 (-0.08% DoD).

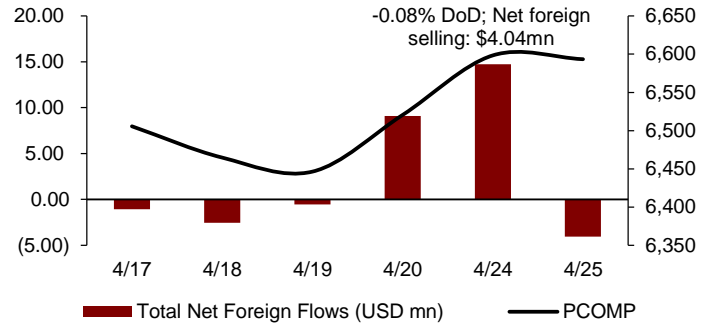
### Bond Market Movement

Tenor	Change	Yield	Tenor	Change	Yield
3 months	+0.0388	5.7536	5 years	+0.0148	5.9574
6 months	+0.0461	5.9688	7 years	+0.0048	6.0129
1 year	+0.0729	6.2562	10 years	-0.0165	6.1446
2 years	+0.0259	5.9968	20 years	-0.0262	6.4061
3 years	+0.0211	5.9669	30 years	-0.0299	6.4051
4 years	+0.0176	5.9544			

### Foreign Exchange

	Previous	Close	Previous	Close
PHP/USD*	55.770	55.540	EUR/USD	1.1046
				1.0973

### PSEI Snapshot



<b>Previous:</b>	6,598.4	<b>PSEI change:</b>	-0.08%
<b>High:</b>	6,597.3	<b>Best:</b>	MPI +3.03%
<b>Low:</b>	6,575.0	<b>2nd best:</b>	MONDE +2.67%
<b>Close:</b>	6,593.4	<b>2nd worst:</b>	WLCON -3.83%
<b>Val. traded (mn):</b>	3,010.9	<b>Worst:</b>	CNVRG -3.88%

### Fixed Income

- ✓ **Local fixed income yields** continued to rise as the Bureau of the Treasury fully awarded Php25 billion worth of Treasury bonds. Accepted yields ranged from 5.975% to 6.06%, with an average of 6.012%. On average, yields rose by 1.54 bps, led by the short end of the curve which went up by 4.59 bps.

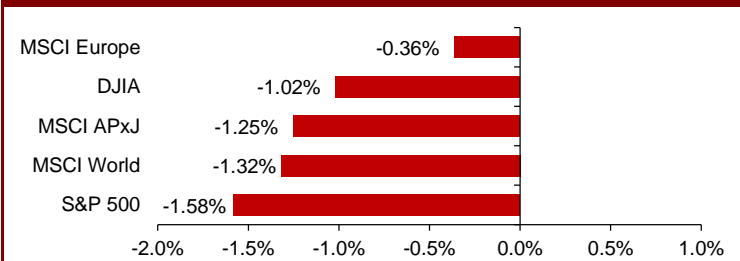
### Philippine peso

- ✓ The **Philippine Peso** strengthened after the BSP announced that it would expand the transactions covered by its Currency Rate Risk Protection Program (CRPP) to include non-trade transactions and investments. The USD/PHP pair closed at 55.54 (-0.41% DoD).

## OVERSEAS MARKETS

Global equities fell, US Treasury yields declined further, and the US Dollar strengthened on dampened risk appetite as investors continued to assess corporate earnings and various developments.

### Global Markets



### US Treasuries

Tenor	Change	Yield	Tenor	Change	Yield
3 months	+0.0561	5.0233	5 years	-0.1215	3.4491
6 months	-0.0553	4.9320	10 years	-0.0905	3.3996
2 years	-0.1338	3.9544	30 years	-0.0507	3.6585

- ✓ **US equities** slipped as worries concerning the banking sector were reignited after First Republic Bank's quarterly result drove its shares to plunge by 49%. The S&P 500 closed at 4,071.63 (-1.58% DoD) and the DJIA closed at 33,530.83 (-1.02% DoD).
- ✓ **Asian equities** dropped on cautious sentiment amid a gloomy economic outlook and concerns surrounding China's uneven economic recovery. Investors were also worried about lingering geopolitical risks in the region. The MSCI APxJ closed at 509.73 (-1.25% DoD).
- ✓ **European equities** fell as investors remained wary of the earnings season and while waiting for cues on the ECB's policy move next week. The MSCI Europe closed at 157.12 (-0.36% DoD).
- ✓ **US Treasury yields** fell further amid increasing recession fears following soft consumer confidence data which fell to a nine-month low of 101.3 for the month of April. On average, yields fell by 6.60 bps, with the 2Y closing at 3.95% (-13.38 bps) and the 10Y closing at 3.40% (-9.05 bps).
- ✓ The **US Dollar** strengthened on safe-haven demand after the latest US consumer confidence data dampened investors' risk appetite. The DXY closed at 101.86 (+0.51% DoD).

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