

March 29, 2023

LOCAL MARKETS

Local equities gained, local fixed income yields rose, and the Philippine peso weakened as global banking sector worries eased.

Key Events

- ✓ The **Department of Trade and Industry (DTI)** said the Regional Comprehensive Economic Partnership (RCEP) will be effective in June. The DTI plans to deposit the instrument of ratification for the Philippines participation by April 3, then RCEP will be effective 60 days upon deposit. RCEP is the biggest free trade agreement, representing nearly 30% of the world's population.
- ✓ **Metro Pacific Investments Inc. (PSE Ticker: MPI)** is slated to acquire 1.6 billion shares of SP New Energy Corp. (PSE Ticker: SPNEC) for Php2 billion, representing a 16% ownership in the company. MPI noted that the proceeds will be used by SPNEC to fund land investments in Nueva Ecija where it hopes to develop Asia's largest solar project.

Equities

- ✓ **Local equities** gained as investors digested positive news from the global banking side. Foreign investors also bargain-hunted, bringing the index back to the 6,600 level. The PSEi closed at 6,603.15 (+0.12% DoD).

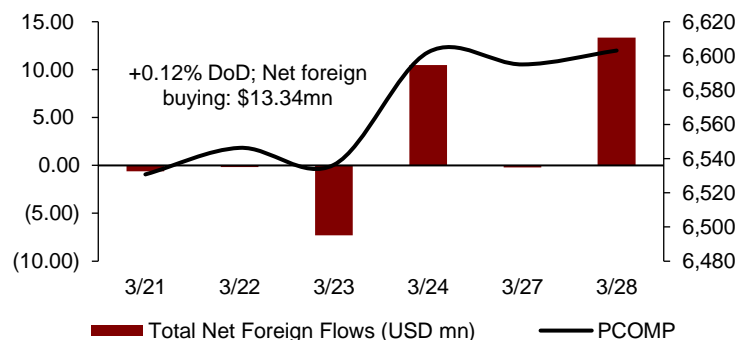
Bond Market Movement

Tenor	Change	Yield	Tenor	Change	Yield
3 months	+0.0196	5.0391	5 years	-0.0060	6.0061
6 months	-0.0285	5.5945	7 years	+0.0020	6.1271
1 year	+0.0172	5.9770	10 years	+0.0619	6.2653
2 years	-0.0024	5.8558	20 years	+0.0298	6.6503
3 years	-0.0020	5.8983	30 years	+0.0259	6.6610
4 years	-0.0035	5.9485			

Foreign Exchange

	Previous	Close	Previous	Close
PHP/USD*	54.290	54.450	EUR/USD	1.0798
				1.0845

PSEi Snapshot



Previous:	6,595.0	PSEi change:	0.12%
High:	6,627.1	Best:	SCC +6.14%
Low:	6,603.2	2nd best:	DMC +4.53%
Close:	6,603.2	2nd worst:	MBT -1.55%
Val. traded (mn):	3,694.9	Worst:	AEV -1.96%

Fixed Income

- ✓ **Local fixed income** yields rose on easing banking sector woes. On average, yields rose by 1.04 bps, led by the long-end of the curve which went up by 3.92 bps.

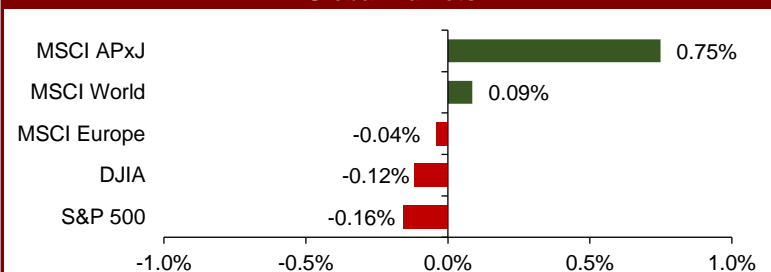
Philippine peso

- ✓ The **Philippine Peso** weakened as global banking sector worries eased following First Citizens BancShares, Inc. deal to purchase around \$72 billion worth of Silicon Valley Bank's assets at a discounted cost of \$16.5 billion. The USD/PHP pair closed at 54.45 (+0.29% DoD).

OVERSEAS MARKETS

Global equities were mixed, US Treasury yields rose, and the US Dollar weakened amid easing concerns on the banking sector and as investors look ahead of the upcoming data releases.

Global Markets



US Treasuries

Tenor	Change	Yield	Tenor	Change	Yield
3 months	-0.0042	4.6467	5 years	+0.0846	3.6757
6 months	+0.0032	4.8067	10 years	+0.0397	3.5696
2 years	+0.0831	4.0783	30 years	+0.0090	3.7694

- ✓ **US equities** fell following the selloff in technology stocks amid the uptick in bond yields and as investors continue to watch closely developments in the banking sector. The S&P 500 closed at 3,971.27 (-0.16% DoD) and the DJIA closed at 32,394.25 (-0.12% DoD).
- ✓ **Asian equities** were mixed but rose on average as global sentiment improved after First Citizens BancShares agreed to buy SVB's loans and deposits. China markets were an outlier, with both the Shanghai Composite and the Shenzhen Component falling. The MSCI APxJ closed at 513.49 (+0.75% DoD).
- ✓ **European markets** were flat on Tuesday after trying to find direction in the aftermath of the collapses of Credit Suisse and two US banks. The MSCI Europe closed at 149.43 (-0.04% DoD).
- ✓ **US Treasury yields** rose as fears on the banking crisis eased and as investors focused on the policy direction of the Fed. On average, yields went up by 3.59 bps, with the 2Y closing at 4.08% (+8.31 bps) and the 10Y closing at 3.57% (+3.97 bps).
- ✓ The **US Dollar** weakened as concerns about the banking sector subsided which helped boost investors' appetite for riskier currencies. The DXY closed at 102.43 (-0.42% DoD).

www.bpiassetmanagement.com



This material, which is strictly for information purposes only, is for your sole use, does not constitute a recommendation or an offer to sell or a solicitation to buy any financial product. Any information is subject to change without notice and BPIAMTC is not under any obligation to update or keep current the information contained herein. You are advised to make your own independent judgment with respect to the matter contained in this document. No liability whatsoever is accepted for any loss that may arise (whether direct or consequential) from any use of the information contained herein. All funds managed by BPI Asset Management & Trust Corp. and affiliates are Trust and/or Investment Management Funds, which do not carry any guarantee of income or principal, and are NOT covered by the Philippine Deposit Insurance Corporation. Past performance is not a guarantee of future results. BPI AMTC Investment Funds are valued daily using the marked-to-market method.