

March 17, 2023

LOCAL MARKETS

Local equities fell and local fixed income yields were flat on lingering contagion fears. The Philippine peso strengthened on lower crude oil prices.

Key Events

- ✓ **S&P Global Ratings** said that the Asia-Pacific banking sector, including the Philippines, has sufficient buffers to cope with potential contagion effects following the Silicon Valley Bank collapse. The banks have negligible direct exposure and manageable secondary impacts. S&P also noted that it sees no rating changes among the financial institutions as a direct result of the SVB default.
- ✓ **Jollibee Foods Corp., (PSE Ticker: JFC)** reported a 26.4% year-on-year increase in net income to Php7.6 billion in 2022. This was on the back of the 38.0% rise in revenues to Php211.9 billion. Sales growth was driven by the increase in same-store sales, new stores, the impact of the Milksha acquisition, and gains from foreign currency translation.

Equities

- ✓ **Local equities** fell as contagion fears re-emerged after Saudi National Bank announced that it will not increase its stake in Credit Suisse. Saudi National Bank also said that it will no longer provide further financial assistance to the embattled bank. The PSEi closed at 6,404.91 (-0.95% DoD).

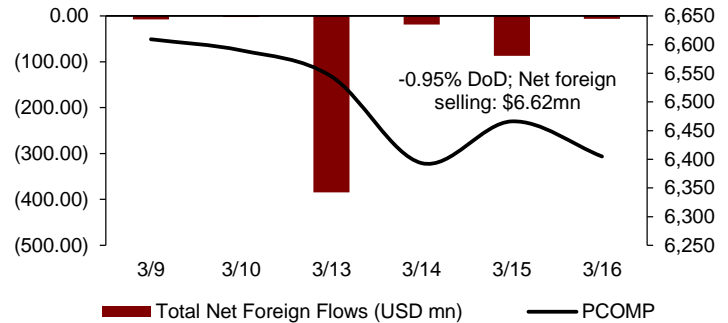
Bond Market Movement

Tenor	Change	Yield	Tenor	Change	Yield
3 months	+0.0116	4.8289	5 years	+0.0130	5.9909
6 months	+0.0065	5.4409	7 years	+0.0186	6.0787
1 year	+0.0098	5.7924	10 years	-0.0145	6.2063
2 years	+0.0045	5.8731	20 years	-0.0199	6.5553
3 years	-0.0054	5.9049	30 years	-0.0246	6.5688
4 years	+0.0006	5.9454			

Foreign Exchange

	Previous	Close	Previous	Close
PHP/USD*	54.950	54.860	EUR/USD	1.0577 1.0610

PSEi Snapshot



Previous:	6,466.1	PSEi change:	-0.95%
High:	6,437.7	Best:	AC +2.13%
Low:	6,330.5	2nd best:	AEV +1.11%
Close:	6,404.9	2nd worst:	UBP -4.39%
Val. traded (mn):	4,633.8	Worst:	CNVRG -5.87%

Fixed Income

- ✓ **Local fixed income yields** were flat amid further contagion fears as the Saudi National Bank ruled out further assistance for Credit Suisse. On average, yields were unchanged, but the long-end moved the most and fell by 1.97 bps.

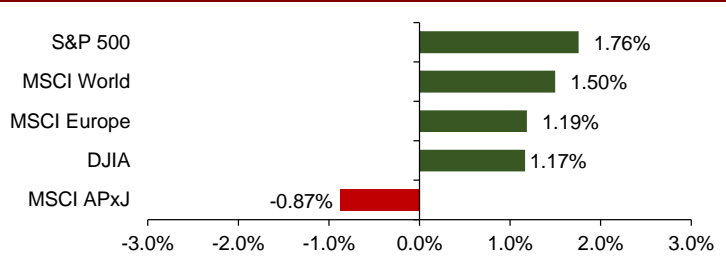
Philippine peso

- ✓ The **Philippine peso** strengthened as global crude oil prices declined on expectations of subdued demand following concerns that contagion fears in the banking sector may trigger a recession. The USD/PHP pair closed at 54.86 (-0.16% DoD).

OVERSEAS MARKETS

Global equities were mixed, US Treasury yields rose, and the US Dollar weakened as investors digested the latest developments in the global banking sector.

Global Markets



US Treasuries

Tenor	Change	Yield	Tenor	Change	Yield
3 months	-0.0161	4.5937	5 years	+0.1857	3.7366
6 months	+0.2549	4.8034	10 years	+0.1222	3.5770
2 years	+0.2698	4.1572	30 years	-	-

- ✓ **US equities** slightly recovered as the world's central banks reiterated that they would maintain financial stability. Deals aimed to support First Republic Bank and Credit Suisse also lifted sentiment. The S&P 500 closed at 3,960.28 (+1.76% DoD) and the DJIA closed at 32,246.55 (+1.17% DoD).
- ✓ **Asian equities** fell amid linger contagion fears in the banking sector after the turmoil around Credit Suisse. Prior to the secured support line from Swiss National Bank, the bank's top investor Saudi National Bank announced that it can no longer provide further support. The MSCI APxJ closed at 498.89 (-0.87% DoD).
- ✓ **European equities** rose amid gains from Credit Suisse after the Swiss lender secured a CHF50 billion support line from the Swiss National Bank. The MSCI Europe closed at 148.31 (+1.19% DoD).
- ✓ **US Treasury yields** rebounded as major big banks stepped in to fund troubled First Republic Bank which slightly eased concerns on the smaller financial names. On average, yields went up by 13.61 bps, with the 2Y closing at 4.16% (+26.98 bps) and the 10Y closing at 3.58% (+12.22 bps).
- ✓ The **US Dollar** weakened after the European Central Bank raised interest rates as expected despite recent contagion woes in the banking sector. The DXY closed at 104.42 (-0.22% DoD).

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