

May 5, 2023

LOCAL MARKETS

Local equities rose and local fixed income yields fell on a possible Fed pause. The Philippine peso was flat ahead of domestic inflation data.

Key Events

- ✓ The **National Economic and Development Authority** is seeking to finance 5,329 projects with P20.22 trillion in investments for its Public Investment Program over the next 5 years. 85.75% of the investments will go to infrastructure projects, followed by agriculture and education.
- ✓ **ACEN Corporation (PSE Ticker: ACEN)** posted a surge in its 1Q2023 net income to Php2.03 billion, a fivefold increase from Php405.03 million in the previous year, driven by higher net generation on better wind resources. Meanwhile, consolidated revenues rose 23.5% YoY to Php9.14 billion amid higher revenues from electricity sales.

Equities

- ✓ **Local equities** rose as sentiment improved after the US Federal Reserve hinted a possible pause in rate hikes. The PSEi closed at 6,684.35 (+1.18% DoD).

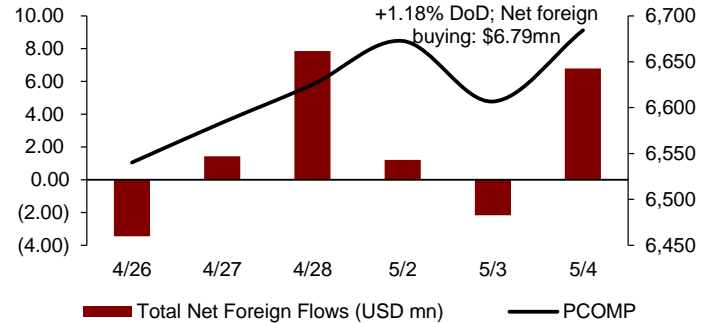
Bond Market Movement

Tenor	Change	Yield	Tenor	Change	Yield
3 months	+0.0163	5.9245	5 years	-0.0636	5.8836
6 months	+0.0146	6.0285	7 years	-0.0789	5.9038
1 year	-0.0136	6.1941	10 years	-0.0864	5.9843
2 years	-0.0392	5.9903	20 years	-0.1438	6.1098
3 years	-0.0439	5.9437	30 years	-0.1633	6.0746
4 years	-0.0533	5.9069			

Foreign Exchange

	Previous	Close	Previous	Close
PHP/USD*	55.335	55.350	EUR/USD	1.1062 1.1012

PSEi Snapshot



Previous:	6,606.7	PSEi change:	1.18%
High:	6,684.4	Best:	TEL +4.59%
Low:	6,612.1	2nd best:	ALI +4.56%
Close:	6,684.4	2nd worst:	JGS -2.43%
Val. traded (mn):	3,202.0	Worst:	CNVRG -2.62%

Fixed Income

- ✓ **Local fixed income yields** continued to fall on a potential Fed pause. Falling oil prices also affected sentiment. On average, yields fell by 5.96 bps, led by the long end of the curve which went down by 13.12 bps.

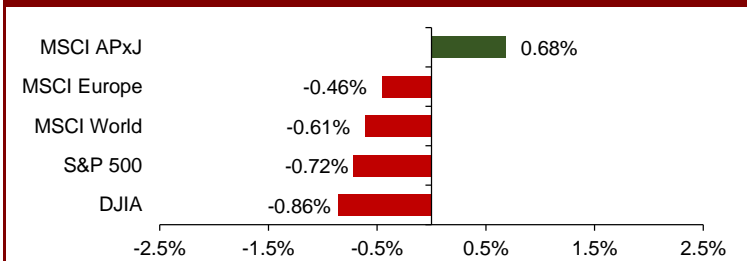
Philippine peso

- ✓ The **Philippine Peso** was flat as investors wait for the local inflation data release. The USD/PHP pair closed at 55.35 (+0.03% DoD).

OVERSEAS MARKETS

Global equities mostly fell, US Treasury yields slightly rose, while the US Dollar strengthened as investors assessed corporate earnings releases, central banks' policies, and recent jobs data.

Global Markets



US Treasuries

Tenor	Change	Yield	Tenor	Change	Yield
3 months	+0.0175	5.1986	5 years	+0.0306	3.3286
6 months	+0.0126	4.9604	10 years	+0.0431	3.3787
2 years	-0.0145	3.7903	30 years	+0.0475	3.7296

- ✓ **US equities** declined as investors digested a mixed bag of corporate earnings results and the Fed's 25-bp rate hike. The banking sector overhang also caused shares of some regional banks to decline. The S&P 500 closed at 4,061.22 (-0.72% DoD) and the DJIA closed at 33,127.74 (-0.86% DoD).
- ✓ **Asian equities** climbed as financial & state-owned stocks in the Shanghai & Hong Kong markets soared after the region's holiday close. Positive sentiment was fueled on China's tourism recovery as domestic trips significantly rose from last year. The MSCI APxJ closed at 514.87 (+0.68% DoD).
- ✓ **European equities** fell as investors digested the 25-bp rate hike from the ECB as inflation pressures remained strong. The MSCI Europe closed at 154.82 (-0.46% DoD).
- ✓ **US Treasury yields** were mixed but rose on average as investors weighed the higher weekly jobless claims for the week ending April 29, together with the lingering concerns on debt ceiling. On average, yields rose by 2.28 bps, with the 2Y closing at 3.79% (-1.45 bps) and the 10Y closing at 3.38% (+4.31 bps).
- ✓ The **US Dollar** was flat as investors digested the Fed's policy decision, mixed corporate earnings, and recent jobs data. The DXY closed at 101.40 (+0.06% DoD).

