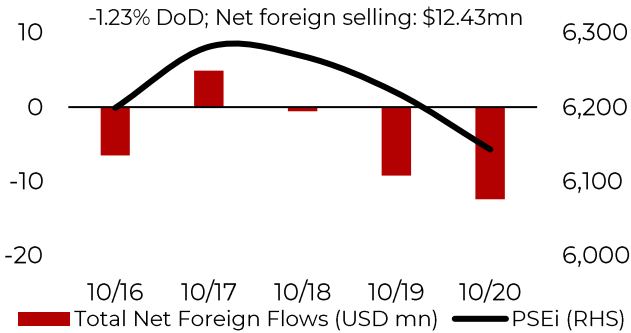


## Philippine Stock Exchange Index



	Level	DoD
PSEi	6,142.90	-1.23%
3-mo bond yield	6.01%	+2.85 bps
2-yr bond yield	6.38%	+0.78 bps
10-yr bond yield	6.62%	+0.64 bps
USDPHP	56.8	-0.05%
Oil (Brent, \$ / barrel)	92.16	-0.24%

The **Bangko Sentral ng Pilipinas (BSP)** sees a possible breach of its inflation target in 2024, according to the minutes of its latest Monetary Board meeting. The central bank cited higher-than-expected wage hikes and possible increases in food, utilities, and oil prices as major risks.

**ACEN Corp. (Ticker: ACEN)** further expands its reach in Australia as its subsidiary, Yindjibarndi Energy Corp. (YEC), signed a memorandum of agreement with a global mining firm, Rio Tinto. The agreement strengthens both firms' commitment to develop renewable sources of energy in Western Australia.

**Local equities** fell amid worries over US Fed Chair Powell's statement that a slower economic growth might be warranted as inflation remained too high. The PSEi closed at 6,142.9 (-1.23% DoD).

**Local fixed income yields** rose after the BSP released the highlights of its Monetary Board meeting last month. On average, yields rose by 0.81 bps, with the 2Y closing at 6.38% (+0.78 bps) and the 10Y closing at 6.62% (+0.64 bps).

The **Philippine peso** closed flat as investors weighed movements in crude oil prices and expectations of a seasonal increase in OFW remittances. The USD/PHP pair closed at 56.8 (-0.05% DoD).

The **People's Bank of China (PBOC)** kept its benchmark rates **steady** at 3.45% and 4.20% for the one-year and five-year loan prime rates (LPR), respectively. This was on the back of recent data pointing to China's economy showing signs of improvement and the weaker yuan constraining further monetary easing.

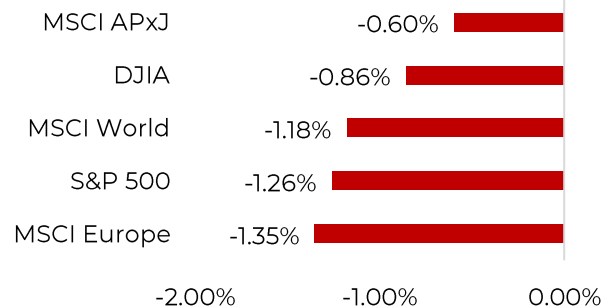
**US Budget deficit jumped 23% YoY to \$1.7 trillion in fiscal 2023** as revenues fell to \$4.4 trillion (-9% YoY) and outlays for Social Security and Medicare rose to \$1.42 trillion (+10% YoY) and \$1.02 trillion (+4% YoY), respectively. Record-high interest costs also widened the gap.

**US equities** declined as investors remained cautious over the Israel-Hamas conflict. The S&P 500 closed at 4,224.16 (-1.26% DoD) and the DJIA closed at 33,127.28 (-0.86% DoD).

**US Treasury yields** pulled back on dovish comments from Philadelphia Fed President Harker and Cleveland Fed President Mester. Both favored the Fed to keep rates steady. On average, yields fell by 5.67 bps, with the 2Y closing at 5.08% (-8.60 bps) and the 10Y closing at 4.92% (-7.40 bps).

The **US dollar** slightly weakened as US Treasury yields eased from recent peaks following the dovish remarks from some Fed officials. The DXY closed at 106.16 (-0.08% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	4,224.16	-1.26%
DJIA	33,127.28	-0.86%
3-mo US Treasury yield	5.47%	-1.60 bps
2-yr US Treasury yield	5.08%	-8.60 bps
10-yr US Treasury yield	4.92%	-7.40 bps
DXY	106.16	-0.08%