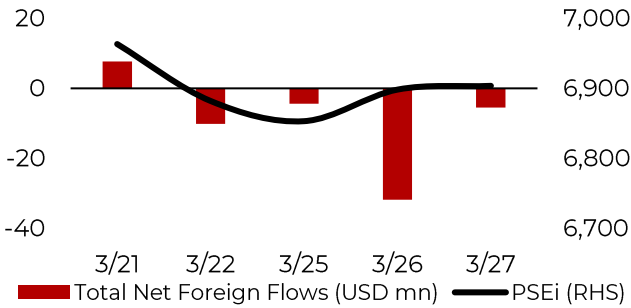


The Morning View

April 1, 2024

Philippine Stock Exchange Index

+0.08% DoD; Net foreign selling: \$5.52mn



	Level	DoD
PSEi	6,903.53	+0.08%
3-mo bond yield	5.73%	-0.93 bps
2-yr bond yield	6.04%	+0.32 bps
10-yr bond yield	6.23%	+1.24 bps
USDPHP	56.24	-0.14%
Oil (Brent, \$ / barrel)	87.48	0.00%

Bloomberg consensus currently expects Philippine inflation to accelerate to 3.8% in March. If realized, this would be faster than the 3.4% print in February. Higher prices for key food items as well as fuel are seen as key drivers for the potential acceleration.

SM Investments Corporation (Ticker: SM) purchased 1.88 billion common shares of Citicore Energy REIT Corp. (Ticker: CREIT) for Php5 billion. This represents a 28.79% stake in CREIT and will increase SM's footprint in the renewable energy sector.

Local equities inched up amid continued bargain hunting. Investors also stayed cautious ahead of key economic data releases in the US. The PSEi closed at 6,903.53 (+0.08% DoD).

Local fixed income yields slightly rose as economists expect inflation to have accelerated in March. Bloomberg consensus expects March inflation to settle at 3.8%. On average, yields rose by 1.01 bps, with the 2Y closing at 6.04% (+0.32 bps) and the 10Y closing at 6.23% (+1.24 bps).

The **Philippine peso** strengthened ahead of the March local inflation data release. This was also amid increased remittances ahead of the Holy week break. The USD/PHP pair closed at 56.24 (-0.14% DoD).

The US Core Personal Consumption Expenditures (PCE) inflation cooled to 2.8% YoY in February (January: 2.9%). The reading came in line with market expectation and was the lowest in about three years. Month-on-month, the core PCE also eased to 0.3% (January: 0.5%).

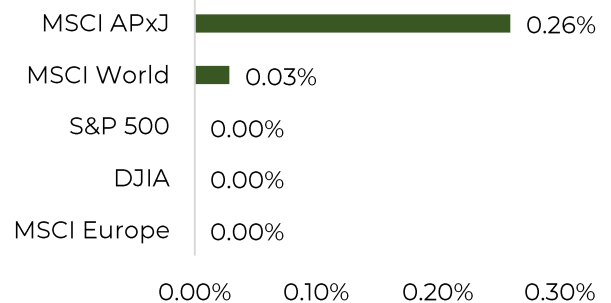
US 4Q23 Gross Domestic Product (GDP) growth was revised upwards to 3.4% from the previous 3.2% estimate. The upward revision was driven by upgrades in consumer spending and business investment in non-residential structures.

US equities were unchanged as the markets were closed for Good Friday. The S&P 500 closed at 5,254.35 (0% DoD) and the DJIA closed at 39,807.37 (0% DoD).

US Treasury yields closed flat as markets were closed in observance of Good Friday. On average, yields were unchanged, with the 2Y closing at 4.62% (0.00 bps) and the 10Y closing at 4.20% (0.00 bps).

The **US dollar** was relatively flat as PCE data remained within market expectations. The DXY closed at 104.49 (-0.06% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,254.35	0.00%
DJIA	39,807.37	0.00%
3-mo US Treasury yield	5.38%	0.00 bps
2-yr US Treasury yield	4.62%	0.00 bps
10-yr US Treasury yield	4.20%	0.00 bps
DXY	104.49	-0.06%

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