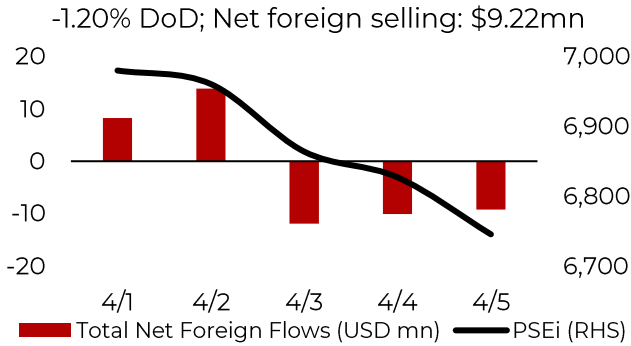


The Morning View

April 8, 2024

Philippine Stock Exchange Index



The **Philippine Statistics Authority** reported that inflation accelerated to 3.7% in March from 3.4% in February. Rice inflation continued to be the main driver of inflation, accelerating 24.4% YoY in March.

Jollibee Foods Corporation (Ticker: JFC) plans to raise Php8 billion this year through an issuance of preferred shares. Php3 billion will be used to refinance financial obligations, while the remaining Php5 billion will be reserved for expansion projects.

Local equities dropped after hawkish comments from some US Federal Reserve officials further sparked uncertainty on the timing of rate cuts. The higher local inflation print for March also dampened investor sentiment. The PSEi closed at 6,745.46 (-1.20% DoD).

Local fixed income yields climbed as the markets weighed the uptick in March local inflation to 3.7%. On average, yields rose by 1.07 bps, with the 2Y closing at 6.10% (+0.82 bps) and the 10Y closing at 6.33% (+1.76 bps).

The **Philippine peso** weakened ahead of the Bangko Sentral ng Pilipinas' (BSP) policy rate decision later today. Investors also digested the uptick in local inflation in March. The USD/PHP pair closed at 56.50 (+0.26% DoD).

	Level	DoD
PSEi	6,745.46	-1.20%
3-mo bond yield	5.75%	+0.88 bps
2-yr bond yield	6.10%	+0.82 bps
10-yr bond yield	6.33%	+1.76 bps
USDPHP	56.50	+0.26%
Oil (Brent, \$ / barrel)	91.17	+0.57%

US nonfarm payrolls rose by 303,000 in March (February: 270,000), driven by job creations in healthcare, government, and construction. This was the highest job gain in 10 months and topped market expectations of only a 200,000 increase.

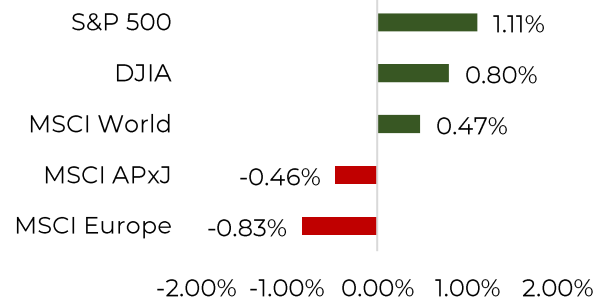
US Federal Reserve Governor Michelle Bowman said it's not yet time for the central bank to start discussing rate cuts. Given upside risks to inflation, she also noted that rate hikes are still possible if progress on lowering inflation stalls.

US equities rebounded after the stronger-than-expected US jobs data reinforced the strength of the US economy, lessening the likelihood of a recession. The S&P 500 closed at 5,204.34 (+1.11% DoD) and the DJIA closed at 38,904.04 (+0.80% DoD).

US Treasury yields rose as the higher-than-expected US nonfarm payrolls further tempered market's expectations on the timing of rate cuts. Investors also digested hawkish remarks from several Fed officials from last week. On average, yields rose by 7.06 bps, with the 2Y closing at 4.75% (+10.30 bps) and the 10Y closing at 4.41% (+9.50 bps).

The **US dollar** slightly strengthened as the higher-than-expected nonfarm payrolls data showed that the US labor market remains robust. Investors also weighed hawkish comments from several Fed officials. The DXY closed at 104.30 (+0.17% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,204.34	+1.11%
DJIA	38,904.04	+0.80%
3-mo US Treasury yield	5.38%	+1.50 bps
2-yr US Treasury yield	4.75%	+10.30 bps
10-yr US Treasury yield	4.41%	+9.50 bps
DXY	104.30	+0.17%

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