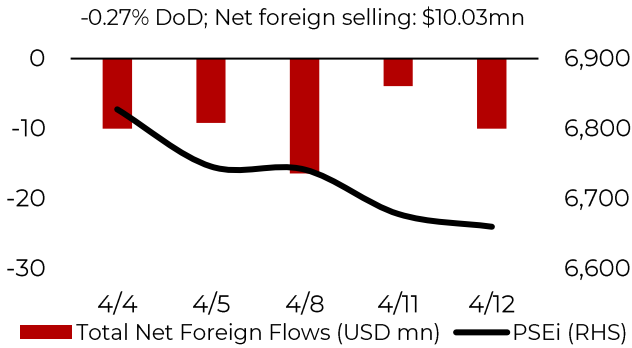


# The Morning View

April 15, 2024

## Philippine Stock Exchange Index



	Level	DoD
PSEi	6,659.39	-0.27%
3-mo bond yield	5.77%	+1.20 bps
2-yr bond yield	6.18%	+5.34 bps
10-yr bond yield	6.68%	-1.31 bps
USDPHP	56.53	+0.05%
Oil (Brent, \$ / barrel)	90.45	+0.79%

The **Bureau of the Treasury** reported that the PH national government's gross borrowings rose by 22% YoY to Php419.97 billion in February. Domestic debt made up 98.9% of the gross borrowings in February. On a year-to-date basis, government borrowings are down 12% to Php623.12 billion.

**Monde Nissin Corporation (Ticker: MONDE) has allotted Php7.2 billion for capital expenditures in 2024 (2023: Php3.64 billion).** Php6.2 billion of the allotted amount will be dedicated to the Asia-Pacific branded food and beverage segment, while the remaining Php1 billion will be used for its meat substitute segment.

**Local equities** slightly fell amid lingering uncertainty over the policy rate cut outlook after the Bangko Sentral ng Pilipinas (BSP) signaled a possible delay in rate cuts amid inflation risks. The PSEi closed at 6,659.39 (-0.27% DoD).

**Local fixed income yields** were mixed as investors continued to weigh possible delays in rate cuts from the BSP and the US Fed given upside risks to inflation. On average, yields rose by 3.14 bps, with the 2Y closing at 6.18% (+5.34 bps) and the 10Y closing at 6.68% (-1.31 bps).

The **Philippine peso** slightly weakened following hawkish remarks from several Fed officials. The USD/PHP pair closed at 56.53 (+0.05% DoD).

**The University of Michigan's US Consumer Sentiment Index slipped to 77.9 in April (March: 79.4)** likely due to higher gas prices. Households' one-year and long-term inflation expectations rose to 3.1% (March: 2.9%) and 3.0% (March: 2.8%), respectively.

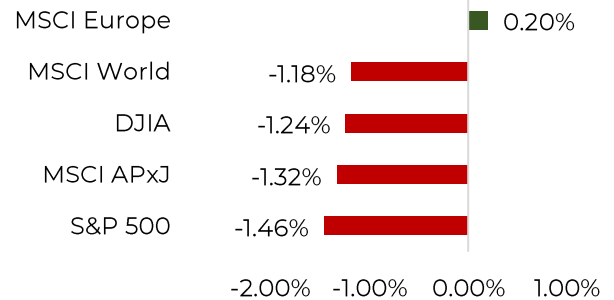
**Boston Fed President Susan Collins expects around two rate cuts this year.** She noted that that it could still take some time to see further progress in inflation firmly returning to the Fed's targeted level. Nonetheless, she still expects to see some slowdown in demand that could help bring inflation down later in the year.

**US equities** fell as 1Q24 earnings from banking giants like JPMorgan Chase, Wells Fargo, and Citigroup disappointed investors. Concerns over rising inflation and escalating geopolitical tensions also dampened market sentiment. The S&P 500 closed at 5,123.41 (-1.46% DoD) and the DJIA closed at 37,983.24 (-1.24% DoD).

**US Treasury yields** fell amid broad risk-off sentiment and as investors continued to digest the softer-than-expected US Producer Price Index (PPI) data in March. On average, yields fell by 4.91 bps, with the 2Y closing at 4.90% (-6.20 bps) and the 10Y closing at 4.52% (-6.70 bps).

The **US dollar** strengthened as several Federal Reserve members continued their hawkish rhetoric. The DXY closed at 106.04 (+0.72% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,123.41	-1.46%
DJIA	37,983.24	-1.24%
3-mo US Treasury yield	5.40%	-1.70 bps
2-yr US Treasury yield	4.90%	-7.40 bps
10-yr US Treasury yield	4.52%	-2.20 bps
DXY	106.04	+0.72%

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