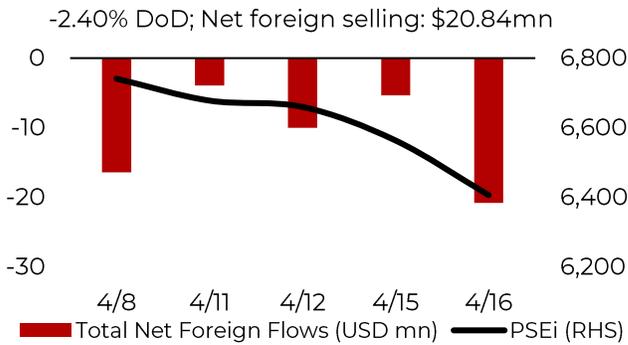


The Morning View

April 17, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,404.97	-2.40%
3-mo bond yield	5.81%	+1.90 bps
2-yr bond yield	6.31%	+4.40 bps
10-yr bond yield	6.80%	+7.40 bps
USDPHP	57.00	+0.34%
Oil (Brent, \$ / barrel)	90.02	-0.09%

The **International Monetary Fund (IMF)** hiked its gross domestic product (GDP) growth forecast for the Philippines following the better-than-expected 4Q23 print. The IMF is now forecasting GDP to grow by 6.2% in 2024 and 2025.

Alliance Global Group, Inc. (Ticker: AGI) reported an attributable net income of Php19.6 billion in 2023, up by 21% YoY. Strong earnings growth was driven by better performances across its businesses, led by real estate, tourism, and consumer segments.

Local equities plunged to a four-month low as concerns over escalating geopolitical tensions in the Middle East and potentially higher for longer rates sparked a sell-off. The PSEi closed at 6,404.97 (-2.40% DoD).

Local fixed income yields climbed as the markets continued to digest hawkish remarks from BSP Governor Remolona. The BSP chief said that rate cuts will more likely occur in 1Q25 given upside risks to inflation. On average, yields rose by 3.21 bps, with the 2Y closing at 6.31% (+4.40 bps) and the 10Y closing at 6.8% (+7.40 bps).

The **Philippine peso** further weakened following the stronger-than-expected March US retail sales. This was also amid risk-off sentiment due to the ongoing geopolitical tensions between Israel and Iran. The USD/PHP pair closed at 57.00 (+0.34% DoD).

US Federal Reserve Chairman Jerome Powell said that the central bank can maintain the current level of restriction for as long as needed. He cited that this year's inflation readings show a lack of further progress, indicating that it might take longer to gain the confidence needed to start easing monetary policy.

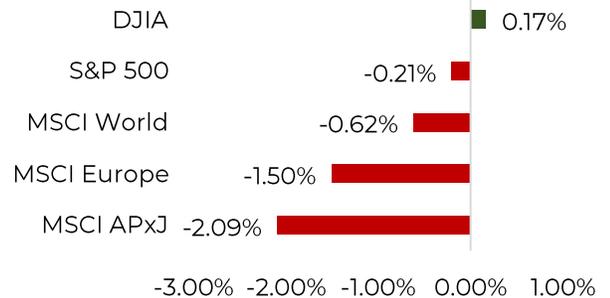
US manufacturing output rose by 0.5% MoM in March, lifted by the significant increase in output of motor vehicle assembly plants. This was lower than the revised 1.2% MoM increase in February but above the market's estimate of a 0.2% MoM rise.

US equities ended mixed as investors weighed Fed Chair Powell's hawkish remark stating that the Fed might have to keep its restrictive policy for longer amid persistent inflation in the US. The S&P 500 closed at 5,051.41 (-0.21% DoD) and the DJIA closed at 37,798.97 (+0.17% DoD).

US Treasury yields rose following hawkish remarks from US Fed Chair Powell. On average, yields rose by 4.59 bps, with the 2Y closing at 4.99% (+6.60 bps) and the 10Y closing at 4.67% (+6.30 bps).

The **US dollar** continued to strengthen as the hawkish comments from the Fed Chair pushed back expectations of early rate cuts. The DXY closed at 106.37 (+0.15% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,051.41	-0.21%
DJIA	37,798.97	+0.17%
3-mo US Treasury yield	5.39%	-1.10 bps
2-yr US Treasury yield	4.99%	+6.60 bps
10-yr US Treasury yield	4.67%	+6.30 bps
DXY	106.37	+0.15%

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