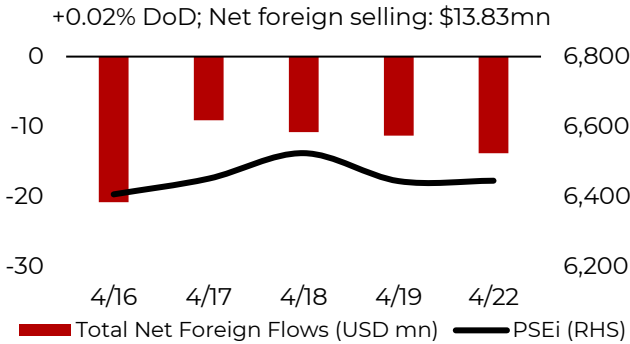


The Morning View

April 23, 2024

Philippine Stock Exchange Index



| | Level | DoD |
|--------------------------|----------|-----------|
| PSEi | 6,444.08 | +0.02% |
| 3-mo bond yield | 5.87% | +0.17 bps |
| 2-yr bond yield | 6.46% | +4.26 bps |
| 10-yr bond yield | 6.92% | +2.60 bps |
| USDPHP | 57.54 | -0.19% |
| Oil (Brent, \$ / barrel) | 87.00 | -0.33% |

The **Bangko Sentral ng Pilipinas** reported that PH external debt payments soared by 110% YoY to \$1.73 billion in January as principal payments surged. Principal payments rose to \$1.05 billion from \$259 million in prior year. Meanwhile, interest payments climbed to \$676 million from \$564 million a year ago.

Aboitiz Equity Ventures, Inc.'s (Ticker: AEV) unit, Aboitiz InfraCapital Inc., will allocate Php26 billion for its capital expenditures in 2024. The funds will be used for the company's economic estate development and other expansion projects. The company is targeting to launch its 200-hectare economic estate project in Tarlac next month.

Local equities were flat as investors stayed on the sidelines as they wait for further updates on the geopolitical front. The PSEi closed at 6,444.08 (+0.02% DoD).

Local fixed income yields climbed as investors continued to weigh hawkish signals from the US Federal Reserve and the Bangko Sentral ng Pilipinas. On average, yields rose by 2.55 bps, with the 2Y closing at 6.46% (+4.26 bps) and the 10Y closing at 6.92% (+2.60 bps).

The **Philippine peso** strengthened following easing tensions between Israel and Iran after Iran announced that it will not retaliate. The USD/PHP pair closed at 57.54 (-0.19% DoD).

Bank of France Governor Francois Villeroy de Galhau said that the uncertainty on oil prices will not delay the European Central Bank's (ECB) plan to cut interest rates by June. Villeroy added that the ECB rate cuts will not depend on the US Federal Reserve, which is expected to wait longer before easing policy.

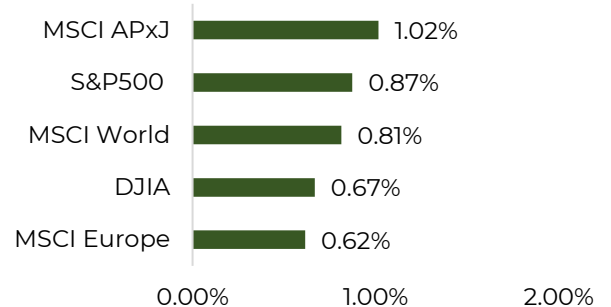
China kept its one-year and five-year loan prime rates unchanged at 3.45% and 3.95%, respectively. This came after the country showed stronger-than-expected economic growth in 1Q24. Meanwhile, a weakening yuan and falling net interest margins of commercial lenders continue to constrain efforts of policy easing.

US equities slightly rose as investors braced for an eventful week of first-quarter earnings releases, with attention focused on Magnificent Seven giants such as Tesla, Microsoft, Meta Platforms, and Alphabet. The S&P 500 closed at 5,010.60 (+0.87% DoD) and the DJIA closed at 38,239.98 (+0.67% DoD).

US Treasury yields declined ahead of the release of the US March personal consumption expenditures (PCE) price index, the Fed's preferred inflation gauge, later this week. On average, yields fell by 0.99 bps, with the 2Y closing at 4.97% (-1.50 bps) and the 10Y closing at 4.61% (-1.20 bps).

The **US dollar** slightly weakened ahead of the PCE price index data release. The DXY closed at 106.08 (-0.07% DoD).

Global Stock Indices



| | Level | DoD |
|-------------------------|-----------|-----------|
| S&P 500 | 5,010.60 | +0.87% |
| DJIA | 38,239.98 | +0.67% |
| 3-mo US Treasury yield | 5.42% | -2.10 bps |
| 2-yr US Treasury yield | 4.97% | -1.50 bps |
| 10-yr US Treasury yield | 4.61% | -1.20 bps |
| DXY | 106.08 | -0.07% |

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