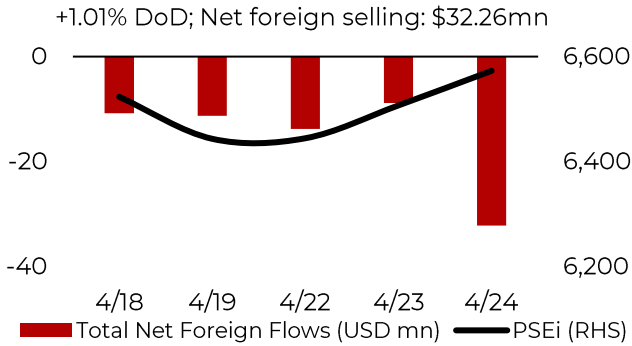


The Morning View

April 25, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,572.75	+1.01%
3-mo bond yield	5.87%	+1.29 bps
2-yr bond yield	6.47%	+1.50 bps
10-yr bond yield	6.96%	+3.61 bps
USDPHP	57.55	+0.07%
Oil (Brent, \$ / barrel)	88.02	-0.45%

The **Bureau of the Treasury** reported that the country's budget deficit narrowed by 6.8% YoY to Php195.9 billion in March as revenue growth outpaced expenditure growth. Revenues rose by 11.3% to Php287.9 billion, while expenditures rose by 3.2% to Php483.8 billion.

ACEN Corporation (Ticker: ACEN) earmarked Php72 billion for its capital expenditure budget for 2024. Out of the total, Php40 billion is allocated for its Philippine operations. ACEN expects 60% of the funding to come from debt, while 40% would come from reinvestments of cash flows from existing projects.

Local equities rose amid bargain hunting. Optimism in Wall Street over upbeat corporate earnings results also boosted sentiment. The PSEi closed at 6,572.75 (+1.01% DoD).

Local fixed income yields rose ahead of the release of US 1Q24 Gross Domestic Product (GDP) and March US Personal Consumption Expenditures (PCE) later this week. On average, yields rose by 1.45 bps, with the 2Y closing at 6.47% (+1.50 bps) and the 10Y closing at 6.96% (+3.61 bps).

The **Philippine peso** weakened amid cautious sentiment ahead of the US 1Q24 GDP and PCE data release. The USD/PHP pair closed at 57.55 (+0.07% DoD).

US durable goods orders rose by 2.6% MoM in March (February: 0.7%), primarily lifted by robust demand in transportation equipment. Excluding transportation, new orders rose by only 0.2% MoM in March (February: 0.1%).

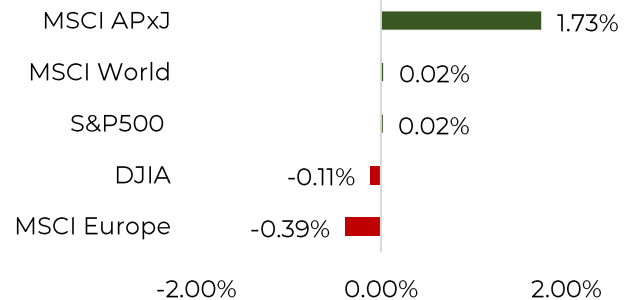
US President Joe Biden has signed a foreign aid package that includes sanctions on Iran's oil sector into law. The bill aims to broaden sanctions to include ports and vessels that process or ship Iranian crude oil. The \$95-billion aid package also includes assistance for Ukraine, Israel, and Taiwan.

US equities ended mixed as investors weighed upbeat 1Q24 corporate earnings results and cautious sentiment ahead of the release of key US economic data. The S&P 500 closed at 5,071.63 (+0.02% DoD) and the DJIA closed at 38,460.92 (-0.11% DoD).

US Treasury yields were mixed ahead of the release of US PCE and GDP data which could provide guidance on the Fed's next policy move. Investors also digested the \$70-billion auction of 5-year US Treasury notes. On average, yields rose by 2.44 bps, with the 2Y closing at 4.93% (-0.60 bps) and the 10Y closing at 4.64% (+4.20 bps).

The **US dollar** strengthened ahead of the US 1Q24 GDP and PCE data release. The DXY closed at 105.86 (+0.17% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,071.63	+0.02%
DJIA	38,460.92	-0.11%
3-mo US Treasury yield	5.44%	+3.90 bps
2-yr US Treasury yield	4.93%	-0.60 bps
10-yr US Treasury yield	4.64%	+4.20 bps
DXY	105.86	+0.17%