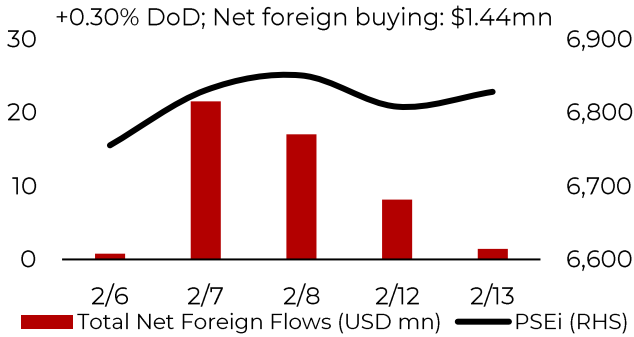


# The Morning View

February 14, 2024

## Philippine Stock Exchange Index



	Level	DoD
PSEi	6,827.92	+0.30%
3-mo bond yield	5.52%	-1.11 bps
2-yr bond yield	6.01%	-1.09 bps
10-yr bond yield	6.19%	-0.64 bps
USDPHP	55.94	-0.12%
Oil (Brent, \$ / barrel)	82.77	+0.94%

**The House of Representatives filed a bill that seeks to authorize the Department of Agriculture to regulate farmgate prices for highly perishable vegetables.** Under the proposed bill, the Bureau of Agriculture and Fisheries Standards, DA's arm, will be tasked with devising standards to base the setting of farmgate prices.

**Manila Electric Company (Ticker: MER) shared that it is ready to issue refunds to consumers** for the additional generation charges corresponding to the increase in Malampaya gas prices. This was after the Energy Regulatory Commission urged MER to complete the validation needed to justify the rate adjustment.

**Local equities** strengthened ahead of the US inflation data release. While markets were expecting further deceleration, US inflation eased less than expected post-trading hours. Investors also positioned ahead of the Bangko Sentral ng Pilipinas' policy meeting. The PSEi closed at 6,827.92 (+0.30% DoD).

**Local fixed income yields** declined after the Bureau of the Treasury's five-year retail Treasury bond auction saw strong demand. On average, yields fell by 0.50 bps, with the 2Y closing at 6.01% (-1.09 bps) and the 10Y closing at 6.19% (-0.64 bps).

The **Philippine peso** strengthened ahead of the US inflation print. The USD/PHP pair closed at 55.94 (-0.12% DoD).

**US consumer price index (CPI) headline inflation eased to 3.1% YoY in January (Dec: 3.4%), higher than the consensus estimate of 2.9%.** According to the Labor Department, shelter accounted for more than two-thirds of the rise in the CPI. Meanwhile, core inflation was flat at 3.9% YoY (Dec: 3.9%) but higher than the 3.7% consensus estimate.

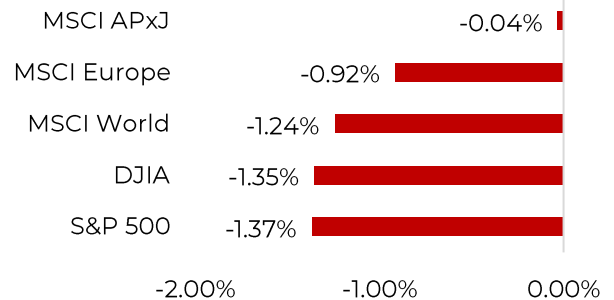
**US small business sentiment weakened to 89.9 in January (December: 91.9), behind the 50-year average of 98.** The National Federation of Independent Business (NFIB) reported that elevated costs and concerns on labor quality have subdued optimism among small businesses across the nation.

**US equities** declined after the January headline and core inflation data came in higher than expected. The S&P 500 closed at 4,953.17 (-1.37% DoD) and the DJIA closed at 38,272.75 (-1.35% DoD).

**US Treasury yields** rose as US inflation surprised to the upside. On average, yields rose by 11.06 bps, with the 2Y closing at 4.66% (+18.20 bps) and the 10Y closing at 4.32% (+13.50 bps).

The **US dollar** strengthened as the higher-than-expected US CPI readings for January reinforced investors' expectations that the Fed will keep rates unchanged in its March policy meeting. The DXY closed at 104.96 (+0.76% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	4,953.17	-1.37%
DJIA	38,272.75	-1.35%
3-mo US Treasury yield	5.40%	0.00 bps
2-yr US Treasury yield	4.66%	+18.20 bps
10-yr US Treasury yield	4.32%	+13.50 bps
DXY	104.96	+0.76%

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