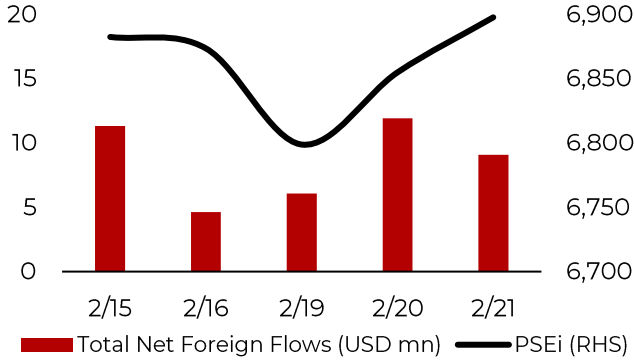


The Morning View

February 22, 2024

Philippine Stock Exchange Index

+0.62% DoD; Net foreign buying: \$9.06mn



Instrument	Value	DoD
PSEi	6,897.36	+0.62%
3-mo bond yield	5.62%	+1.80 bps
2-yr bond yield	6.14%	+0.89 bps
10-yr bond yield	6.28%	-2.06 bps
USDPHP	55.94	-0.17%
Oil (Brent, \$ / barrel)	83.03	+0.84%

The **House of Representatives** will deliberate next week on bills that seek to raise the minimum wage by Php150 for all private sector workers. Currently, the senate passed a bill seeking to raise the minimum wage by Php100, while multiple house bills are seeking to raise minimum wage by around Php150 to Php750.

Ayala Land, Inc. (Ticker: ALI) has allocated Php100 billion for its capital expenditure budget for 2024. This is 16% higher than the budget in 2023 and will focus mainly on the residential business, estate development, as well as land acquisition. ALI aims to launch Php115 billion worth of projects this year.

Local equities rose after some local companies reported earnings results which came in-line with or exceeded market expectations. The PSEi closed at 6,897.36 (+0.62% DoD).

Local fixed income yields were mixed but rose on average ahead of the January Federal Open Market Committee (FOMC) minutes in the US. The minutes, which was released after market close, showed cautious tone among Fed officials regarding early rate cuts. On average, yields rose by 1.78 bps, with the 2Y closing at 6.14% (+0.89 bps) and the 10Y closing at 6.28% (-2.06 bps).

The **Philippine peso** slightly strengthened ahead of the release of the January US FOMC minutes. The USD/PHP pair closed at 55.94 (-0.17% DoD)

The minutes of the FOMC's January meeting showed that policymakers are cautious about lowering rates too quickly. The minutes indicated that there would be no cuts until the FOMC held "greater confidence" that inflation is receding. Officials also stated that the policy rate was likely at its peak for this tightening cycle.

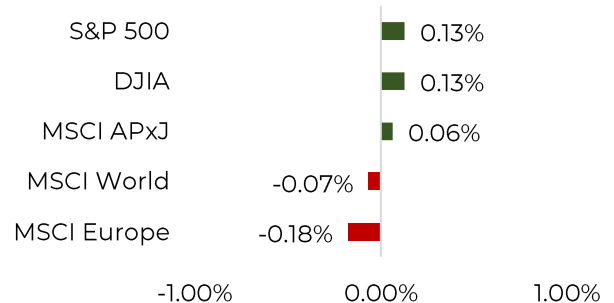
Richmond Fed President Barkin notes that sticky shelter and services inflation data in January complicates the Fed's job. He added that despite the improvement to the overall inflation outlook, price pressures in some sectors are still too high.

US equities climbed as the markets focused on NVIDIA's upbeat earnings for 4Q23 and guidance of a potentially strong fiscal 1Q24 revenues amid robust demand for its chips. Gains were tempered by the cautious tone of the latest Fed minutes of the meeting. The S&P 500 closed at 4,981.80 (+0.13% DoD) and the DJIA closed at 38,612.24 (+0.13% DoD).

US Treasury yields rose as investors digested the latest FOMC minutes which showed caution on lowering policy rates too quickly. On average, yields rose by 3.65 bps, with the 2Y closing at 4.67% (+5.40 bps) and the 10Y closing at 4.32% (+4.40 bps).

The **US dollar** was relatively flat amid the release of the Fed minutes. The DXY closed at 104.01 (-0.07% DoD).

Global Stock Indices



Instrument	Level	DoD
S&P 500	4,981.80	+0.13%
DJIA	38,612.24	+0.13%
3-mo US Treasury yield	5.41%	+2.90 bps
2-yr US Treasury yield	4.67%	+5.40 bps
10-yr US Treasury yield	4.32%	+4.40 bps
DXY	104.01	-0.07%

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