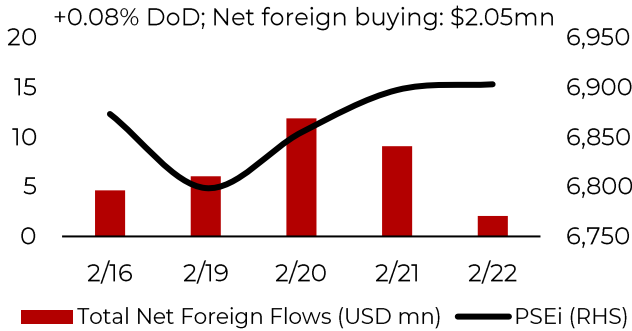


# The Morning View

February 23, 2024

## Philippine Stock Exchange Index



The **Bangko Sentral ng Pilipinas (BSP)** said it is ready to adjust the policy rate as necessary given the upside risks to the inflation outlook. It highlighted that inflation could temporarily rise above target in April-July given low supply of rice and corn as well as base effects.

**PLDT Inc. (Ticker: TEL) proposed to pay \$3 million for the settlement of a lawsuit filed by US shareholders.** The case was due to the company's budget overrun of Php48 billion in 2022. PLDT said that the settlement does not signify admission of liability, lapses, or fault.

**Local equities** climbed amid upbeat corporate earnings results. Higher vehicle sales in January, which suggest robust economic activity, also boosted market sentiment. The PSEi closed at 6,903.15 (+0.08% DoD).

**Local fixed income yields** fell as investors continued to weigh expectations of rate cuts toward the latter half of the year. This was also amid the ongoing retail Treasury bond offering by the government. On average, yields fell by 0.51 bps, with the 2Y closing at 6.12% (-1.44 bps) and the 10Y closing at 6.27% (-0.27 bps).

The **Philippine peso** strengthened after the BSP said it is ready to adjust the policy rate as necessary. The USD/PHP pair closed at 55.71 (-0.42% DoD).

	Level	DoD
PSEi	6,903.15	+0.08%
3-mo bond yield	5.63%	+0.45 bps
2-yr bond yield	6.12%	-1.44 bps
10-yr bond yield	6.27%	-0.27 bps
USDPHP	55.71	-0.42%
Oil (Brent, \$ / barrel)	83.67	+0.77%

**US S&P Global Composite flash Purchasing Managers' Index (PMI) declined to 51.4 in February (January: 52.0).** The index, staying above 50, signaled an expansion albeit at a slower pace. The softer uptick in the services sector weighed on overall growth, while manufacturing activity improved as price pressures eased.

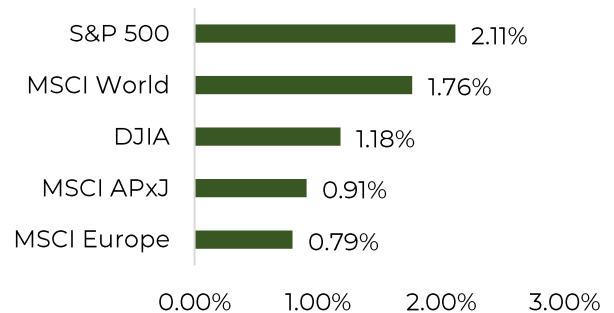
**UK's preliminary S&P Global Composite PMI rose to 53.3 in February (January: 52.9), the highest in nine months.** The improvement was primarily driven by the continued growth in the services sector which had offset the sluggish recovery in the manufacturing sector. The above 50-reading indicates an expansion.

**US equities** surged to record highs after an AI-fueled rally. This was after chip giant NVIDIA announced strong earnings and outlook. The S&P 500 closed at 5,087.03 (+2.11% DoD) and the DJIA closed at 39,069.11 (+1.18% DoD).

**US Treasury yields** inched upwards as investors continued to digest the latest Fed minutes which showed officials' caution on lowering policy rates too quickly. On average, yields rose by 0.84 bps, with the 2Y closing at 4.71% (+4.60 bps) and the 10Y closing at 4.33% (+0.40 bps).

The **US dollar** was flat as investors weighed upbeat corporate earnings and the latest Fed minutes of the meeting. The DXY closed at 103.96 (-0.05% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,087.03	+2.11%
DJIA	39,069.11	+1.18%
3-mo US Treasury yield	5.41%	+0.40 bps
2-yr US Treasury yield	4.71%	+4.60 bps
10-yr US Treasury yield	4.33%	+0.40 bps
DXY	103.96	-0.05%

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