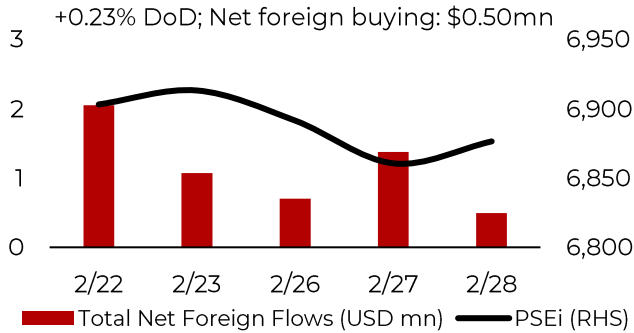


The Morning View

February 29, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,876.52	+0.23%
3-mo bond yield	5.68%	-3.10 bps
2-yr bond yield	6.13%	-0.39 bps
10-yr bond yield	6.24%	+0.47 bps
USDPHP	56.25	+0.30%
Oil (Brent, \$ / barrel)	83.68	+0.04%

The **Philippines** has ratified the **World Trade Organization (WTO)** agreement on fisheries. The deal seeks to subsidize fishermen affected by natural disasters and ban subsidies that contribute to harmful fishing practices. The agreement will take into effect once two-thirds of the WTO's 164 members have ratified it.

SM Investments Corporation (Ticker: SM) reported a **consolidated net income of Php77.0 billion in 2023 (+25% YoY)** amid sustained growth in all segments. The Sy-led conglomerate said that its performance was mainly driven by healthy spending patterns of Filipino consumers in both essential and discretionary purchases.

Local equities slightly rose amid positive sentiment over World Bank's expectation that local inflation will likely stay within the 2% to 4% range for every month of this year. The PSEi closed at 6,876.52 (+0.23% DoD).

Local fixed income yields ended mixed ahead of the release of the US Personal Consumption Expenditure (PCE) data tonight. On average, yields fell by 0.58 bps, with the 2Y closing at 6.13% (-0.39 bps) and the 10Y closing at 6.24% (+0.47 bps).

The **Philippine peso** weakened ahead of the US PCE inflation data release. Investors also weighed remarks from US Fed Governor Bowman who cautioned against cutting rates too soon. USD/PHP pair closed at 56.25 (+0.30% DoD).

4Q23 US Gross Domestic Product (GDP) growth was revised lower to 3.2% from 3.3% due to the lower estimate of private inventory investment. This was partially offset by upward revisions to consumer spending and government spending.

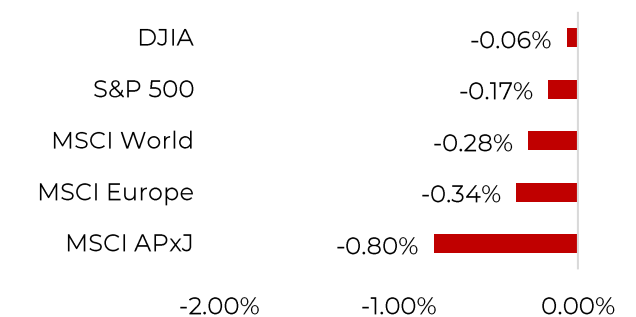
Leaders of the US Congress have reached a deal that seeks to avert a potential US government shutdown on March 2. This temporary measure involves advancing 12 annual bills to fund several federal programs until September 30, and will be voted on by the House and Senate later this week.

US equities fell amid cautious sentiment ahead of the release of the US core PCE this week. Investors also digested the downward revision of 4Q23 US GDP. The S&P 500 closed at 5,069.76 (-0.17% DoD) and the DJIA closed at 38,949.02 (-0.06% DoD).

US Treasury yields fell ahead of the US PCE inflation data release. Investors also weighed remarks from New York Fed President Williams saying that more work is needed to get inflation down to 2%. On average, yields fell by 2.99 bps, with the 2Y closing at 4.64% (-5.60 bps) and the 10Y closing at 4.27% (-3.90 bps).

The **US dollar** strengthened ahead of the US PCE inflation data. Investors also digested hawkish comments from Fed officials Bowman and Williams. The DXY closed at 103.98 (+0.14% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,069.76	-0.17%
DJIA	38,949.02	-0.06%
3-mo US Treasury yield	5.40%	+0.70 bps
2-yr US Treasury yield	4.64%	-5.60 bps
10-yr US Treasury yield	4.27%	-3.90 bps
DXY	103.98	+0.14%