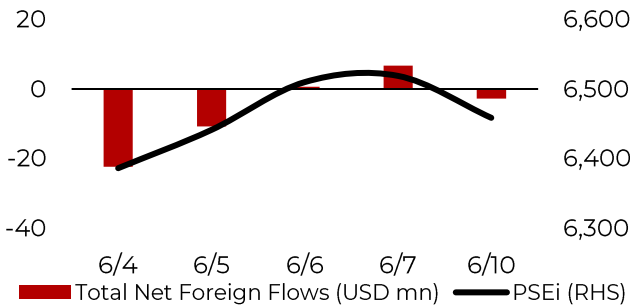


The Morning View

June 11, 2024

Philippine Stock Exchange Index

-0.92% DoD; Net foreign selling: \$2.75mn



	Level	DoD
PSEi	6,458.64	-0.92%
3-mo bond yield	5.69%	-1.44 bps
2-yr bond yield	6.28%	-0.06 bps
10-yr bond yield	6.71%	+1.46 bps
USDPHP	58.79	+0.46%
Oil (Brent, \$ / barrel)	81.63	+2.52%

The **International Monetary Fund (IMF)** trimmed its PH gross domestic product (GDP) growth forecast to 6.0% from previously 6.2% in April. This was following the lower-than-expected GDP growth of 5.7% in 1Q24. Meanwhile, IMF also reduced its full-year inflation forecast to 3.4% from previously 3.6% as lower rice tariffs may ease food price inflation in 2H24.

Aboitiz Power Corporation (PSEi Ticker: AP) said that **diversifying energy sources are necessary to support variable renewable energy (RE)**. AP Corporate Services Officer Carlos Ramon Aboitiz reiterates that RE should be viewed as a part of the energy mix, and not the lone solution.

Local equities declined on profit-taking and as the stronger-than-expected US May nonfarm payrolls report pushed back hopes of a policy rate cut by the US Federal Reserve. The PSEi closed at 6,458.64 (-0.92% DoD).

Local fixed income yields were mixed after US nonfarm payrolls data and wage growth data came in stronger than expected. On average, yields fell by 0.07 bps, with the 2Y closing at 6.28% (-0.06 bps) and the 10Y closing at 6.71% (+1.46 bps).

The **Philippine peso** weakened after the stronger-than-expected US nonfarm payrolls data tempered expectations of rate cuts from the US Fed. The USD/PHP pair closed at 58.79 (+0.46% DoD).

European Central Bank (ECB) President Christine Lagarde clarified that the recent rate cut does not imply a continuous downward trend. She noted that the ECB may pause for several meetings between cuts to monitor more economic data, such as wages and corporate profits, to better assess inflation progress.

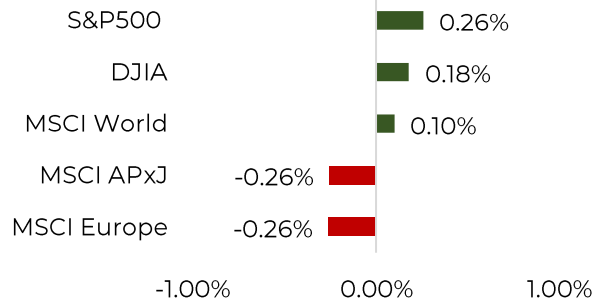
Japan's gross domestic product growth for 1Q24 was revised upward to -1.8% from -2.0% amid upward revisions to capital spending and inventory. Private non-residential investment growth was revised to -0.4% from the initial -0.8% estimate.

US equities rose as Nvidia lifted tech stocks following its 10-for-1 stock split. Investors also looked ahead of the Fed's policy decision and the release of the May inflation print. The S&P 500 closed at a fresh high of 5,360.79 (+0.26% DoD) and the DJIA closed at 38,868.04 (+0.18% DoD).

US Treasury yields were mixed but rose on average ahead of the US Federal Reserve's policy meeting and release of the Consumer Price Index (CPI) inflation print later this week. On average, yields rose by 1.80 bps, with the 2Y closing at 4.88% (-0.60 bps) and the 10Y closing at 4.47% (+3.40 bps).

The **US dollar** strengthened as traders positioned ahead of the Federal Reserve's policy meeting and the US May CPI inflation data release. The DXY closed at 105.15 (+0.25% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,360.79	+0.26%
DJIA	38,868.04	+0.18%
3-mo US Treasury yield	5.40%	-0.30 bps
2-yr US Treasury yield	4.88%	-0.60 bps
10-yr US Treasury yield	4.47%	+3.40 bps
DXY	105.15	+0.25%

This material, which is strictly for information purposes only, is for your sole use, does not constitute a recommendation or an offer to sell or a solicitation to buy any financial product. Any information is subject to change without notice and BPI Wealth is not under any obligation to update or keep current the information contained herein. You are advised to make your own independent judgment with respect to the matter contained in this document. No liability whatsoever is accepted for any loss that may arise (whether direct or consequential) from any use of the information contained herein.

All funds managed by BPI Wealth are Trust and/or Investment Management Funds, which do not carry any guarantee of income or principal, and are NOT covered by the Philippine Deposit Insurance Corporation. Past performance is not a guarantee of future results. BPI Wealth Investment Funds are valued daily using the marked-to-market method.