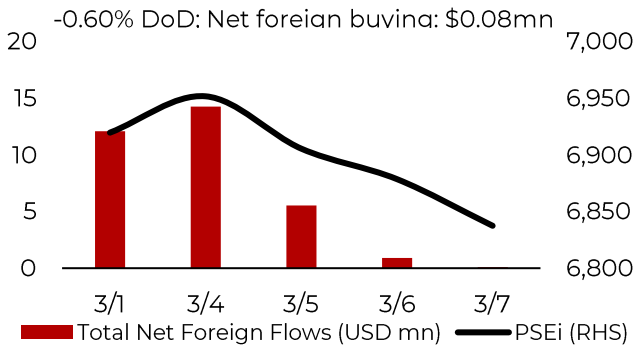


# The Morning View

March 8, 2024

## Philippine Stock Exchange Index



	Level	DoD
PSEi	6,837.34	-0.60%
3-mo bond yield	5.78%	+2.85 bps
2-yr bond yield	6.12%	+020 bps
10-yr bond yield	6.25%	-0.51 bps
USDPHP	55.82	-0.09%
Oil (Brent, \$ / barrel)	83.46	+0.60%

The **Philippine Statistics Authority** reported that manufacturing output growth rose to a four-month high in January. The Monthly Integrated Survey of Selected Industries showed that factory output, as measured by the volume of production index, grew by 1.9% in January. This was higher than the 1.6% growth in December.

**PLDT Inc. (Ticker: TEL) doubled its attributable net income to Php26.6 billion in 2023** on lower expenses and higher topline. Looking ahead, TEL's management expects core net income to exceed Php35 billion in 2024 as the company goes back to growth mode. Core net income stood at Php34.3 billion in 2023.

**Local equities** declined following comments from Bangko Sentral ng Pilipinas (BSP) Governor Remolona saying that it is still too early to cut rates. The PSEi closed at 6,837.34 (-0.60% DoD).

**Local fixed income yields** ended mixed as investors weighed BSP Governor Remolona's caution against premature rate cuts and Fed Chair Powell's hint of a potential Fed rate cut later in the year. On average, yields rose by 0.51 bps, with the 2Y closing at 6.12% (+0.20 bps) and the 10Y closing at 6.25% (-0.51 bps).

The **Philippine peso** slightly strengthened as investors continued to weigh remarks from BSP Governor Remolona saying that it is unlikely that the BSP will cut rates soon. The USD/PHP pair closed at 55.82 (-0.09% DoD).

**US Federal Reserve Chair Jerome Powell said that policymakers are "not far" from getting the confidence they need to begin cutting rates.** He noted that the current policy stance is in the right place. However, he also cautioned that further inflation progress back to the 2% target was not assured.

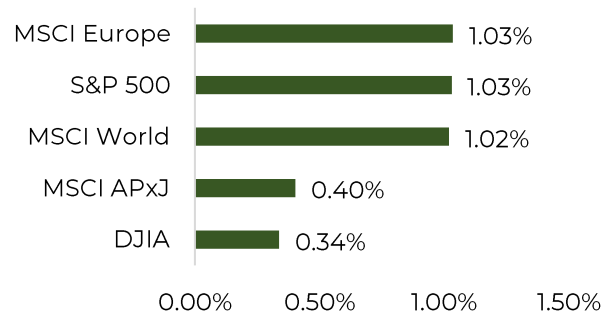
**The European Central Bank (ECB) left interest rates unchanged in its March meeting.** ECB President Christine Lagarde acknowledged that inflation is nearing the 2% target, and signaled a potential rate cut in June. ECB is now expecting inflation to fall to 2.3% this year from previously 2.7%.

**US equities** gained amid increased hopes of a Fed rate cut as early as June this year. This was after Fed Chair Powell signalled that policymakers are not far from getting the confidence needed to begin cutting rates. The S&P 500 closed at 5,157.36 (+1.03% DoD) and the DJIA closed at 38,791.35 (+0.34% DoD).

**US Treasury yields** declined as investors weighed remarks from Fed Chair Powell indicating that rate cuts might be appropriate later in the year. On average, yields fell by 2.12 bps, with the 2Y closing at 4.50% (-5.30 bps) and the 10Y closing at 4.09% (-1.90 bps).

The **US dollar** slightly weakened after relatively dovish remarks from Fed Chair Powell hinting of potential rate cuts later in the year. The DXY closed at 102.80 (-0.55% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,157.36	+1.03%
DJIA	38,791.35	+0.34%
3-mo US Treasury yield	5.40%	-0.10 bps
2-yr US Treasury yield	4.50%	-5.30 bps
10-yr US Treasury yield	4.09%	-1.90 bps
DXY	102.80	-0.55%

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