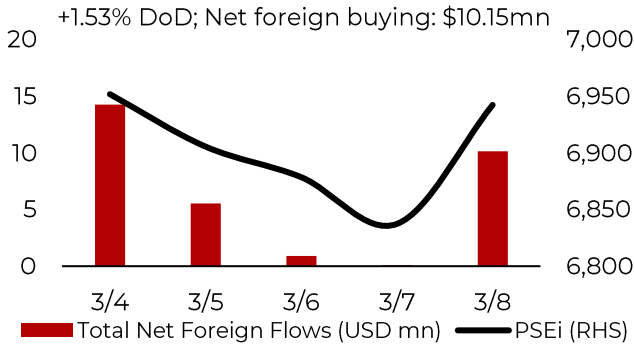


The Morning View

March 11, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,942.21	+1.53%
3-mo bond yield	5.77%	-1.12 bps
2-yr bond yield	6.11%	-1.10 bps
10-yr bond yield	6.25%	0.00 bps
USDPHP	55.57	-0.45%
Oil (Brent, \$ / barrel)	82.08	-1.06%

The **Bureau of the Treasury** reported that the country's debt service bill rose to Php1.60 trillion in 2023, exceeding the programmed amount by 3%. Principal payments made up Php975 billion of the total debt service bill, while the rest were interest payments.

Manila Electric Company (Ticker: MER) failed to secure bids for the 260-megawatt (MW) peak requirement in preparation for increased demand during the dry season. Management said that the power distributor may now have to source through other contracts or the spot market.

Local equities rebounded amid bargain hunting after a three-day decline. Investors also positioned ahead of the US February jobs report which was released after markets' close. The PSEi closed at 6,942.21 (+1.53% DoD).

Local fixed income yields fell ahead of the release of key labor data in the US which could guide the Fed's next policy decisions. On average, yields fell by 1.36 bps, with the 2Y closing at 6.11% (-1.10 bps) and the 10Y closing at 6.25% (0.00 bps).

The **Philippine peso** strengthened as investors digested US Fed Chair Powell's remarks saying that policymakers were "not far" from gaining the confidence necessary to begin cutting rates. The USD/PHP pair closed at 55.57 (-0.45% DoD).

US nonfarm payrolls rose by 275,000 in February (January: 229,000), topping the average monthly gain of 230,000 over the last year. Job gains were led by healthcare and government. On the other hand, the unemployment rate rose to 3.9% YoY (January: 3.7%).

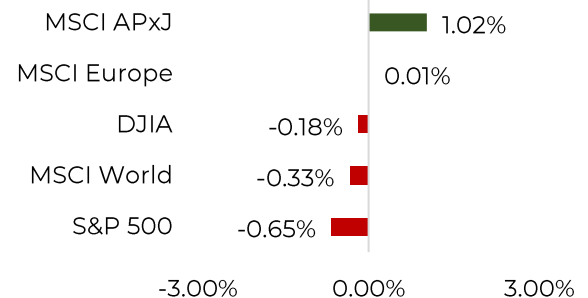
China's consumer price index (CPI) inflation rose for the first time in six months to 0.7% YoY in February (January: -0.8%). This was driven by increased spending during the Lunar New Year, with gains mainly coming from pork, fresh vegetables, and travel.

US equities fell as investors weighed the mixed jobs report in the US which showed higher nonfarm payrolls, uptick in unemployment rate, and slower wage growth. The S&P 500 closed at 5,123.69 (-0.65% DoD) and the DJIA closed at 38,722.69 (-0.18% DoD).

US Treasury yields slightly declined following the latest US jobs report which pointed to an increase in unemployment rate and tempered wage growth. On average, yields fell by 0.96 bps, with the 2Y closing at 4.48% (-2.50 bps) and the 10Y closing at 4.08% (-1.00 bps).

The **US dollar** slightly weakened amid mixed labor data from the February jobs report. The DXY closed at 102.71 (-0.11% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,123.69	-0.65%
DJIA	38,722.69	-0.18%
3-mo US Treasury yield	5.39%	-0.20 bps
2-yr US Treasury yield	4.48%	-2.50 bps
10-yr US Treasury yield	4.08%	-1.00 bps
DXY	102.71	-0.11%

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