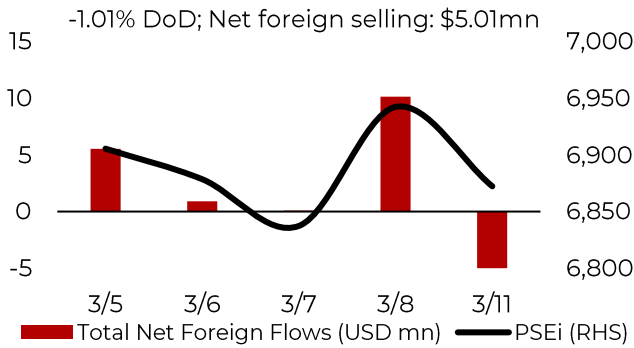


The Morning View

March 12, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,872.24	-1.01%
3-mo bond yield	5.78%	+1.75 bps
2-yr bond yield	6.09%	-2.44 bps
10-yr bond yield	6.25%	-0.01 bps
USDPHP	55.37	-0.36%
Oil (Brent, \$ / barrel)	82.21	+0.16%

The **Bangko Sentral ng Pilipinas** reported that net inflows of foreign direct investments (FDIs) fell for two years in a row. In 2023, net FDIs fell by 6.6% to \$8.9 billion amid subdued global economic growth and geopolitical risks.

Jollibee Foods Corporation (Ticker: JFC) plans to raise up to Php8 billion through a preferred shares offering. A portion of the proceeds will be used to refinance the company's financial obligations which include callable preferred shares due in October 2024.

Local equities fell as investors weighed the mixed jobs report in the US. This was also ahead of the US inflation data release for February. The PSEi closed at 6,872.24 (-1.01% DoD).

Local fixed income yields rose ahead of the release of the February US inflation print. On average, yields rose by 0.53 bps, with the 2Y closing at 6.09% (-2.44 bps) and the 10Y closing at 6.25% (-0.01 bps).

The **Philippine peso** strengthened as investors continued to digest US Fed Chair Powell's remarks affirming expectations of rate cuts later this year. This was also after the latest US labor report which showed an increase in unemployment rate and slowing wage growth. The USD/PHP pair closed at 55.37 (-0.36% DoD).

The New York Federal Reserve's Survey of Consumer Expectations showed a rise in medium and long-term inflation outlook in February. The 3-year inflation expectation rose to 2.7% (January: 2.4%), while the 5-year increased to 2.9% (January: 2.5%). Meanwhile, the 1-year outlook remained unchanged at 3.0%.

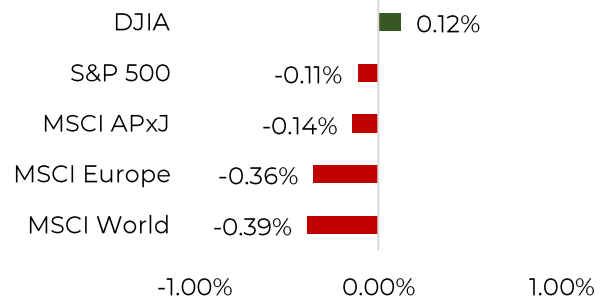
Japan's 4Q23 Gross Domestic Product (GDP) growth was revised to 0.4% from -0.4%, narrowly avoiding a technical recession. The upward revision was anchored on higher capital expenditure. Meanwhile, private consumption remained weak and fell by 0.3%.

US equities ended mixed ahead of the release of the US inflation print for February which could influence the Fed's interest rate path. The S&P 500 closed at 5,117.94 (-0.11% DoD) and the DJIA closed at 38,769.66 (+0.12% DoD).

US Treasury yields rose ahead of the US inflation data release later this week. On average, yields rose by 2.56 bps, with the 2Y closing at 4.54% (+6.00 bps) and the 10Y closing at 4.10% (+2.30 bps).

The **US dollar** strengthened ahead of the US headline inflation data release. Investors also digested the New York Fed's survey which showed an increase in US consumer inflation expectations. The DXY closed at 102.87 (+0.15% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,117.94	-0.11%
DJIA	38,769.66	+0.12%
3-mo US Treasury yield	5.41%	+1.50 bps
2-yr US Treasury yield	4.54%	+6.00 bps
10-yr US Treasury yield	4.10%	+2.30 bps
DXY	102.87	+0.15%

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