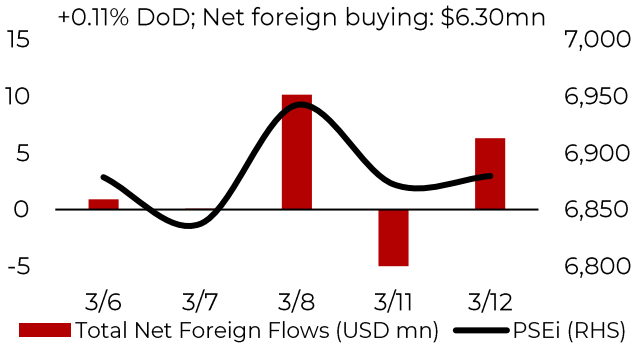


The Morning View

March 13, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,879.59	+0.11%
3-mo bond yield	5.77%	-1.44 bps
2-yr bond yield	6.06%	-2.96 bps
10-yr bond yield	6.23%	-1.99 bps
USDPHP	55.31	-0.11%
Oil (Brent, \$ / barrel)	81.92	-0.35%

The Philippine Statistics Authority reported that the country's trade deficit narrowed by 24% YoY to \$4.22 billion in January as exports rebounded and imports continued to contract. Exports of semiconductors, which accounted for 45.5% of total exports, rose 19.9% YoY.

SM Prime Holdings, Inc. (Ticker: SMPH) is eyeing to raise up to Php100 billion through a bond program. The proposed first tranche of the bond offer will consist of a three-year, five-year, and seven-year series. Proceeds will be used to finance the company's pipeline of projects and other general funding needs.

Local equities inched up amid bargain hunting. Investors also weighed the country's net foreign direct investments data which fell for the second straight year in 2023. The PSEi closed at 6,879.59 (+0.11% DoD).

Local fixed income yields fell ahead of the release of the US consumer price index (CPI) data for February overnight. On average, yields fell by 2.30 bps, with the 2Y closing at 6.06% (-2.96 bps) and the 10Y closing at 6.23% (-1.99 bps).

The **Philippine peso** strengthened ahead of the US CPI inflation data release for February. Investors also digested the local trade deficit which narrowed year-on-year in January driven by a rebound in exports. The USD/PHP pair closed at 55.31 (-0.11% DoD).

US headline CPI inflation rose to 3.2% YoY in February (January: 3.1%), slightly above the 3.1% consensus estimate. This was mainly driven by higher gasoline and shelter prices which accounted for over 60% of the headline print. Meanwhile, core CPI inflation ticked down to 3.8% (January: 3.9%).

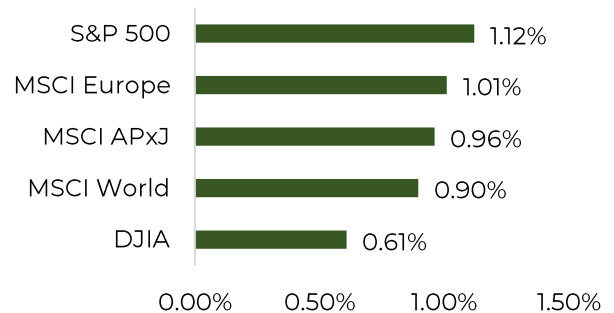
European Central Bank (ECB) Governing Council member Francois Villeroy de Galhau said that the ECB is in broad agreement to begin cutting policy rates in spring, which lasts from April to June. He added that the ECB can move independently of the US Federal Reserve.

US equities climbed despite the uptick in US CPI as investors focused on database company Oracle's upbeat quarterly results and teaser of a tie-up with chip-giant NVIDIA. The S&P 500 closed at 5,175.27 (+1.12% DoD) and the DJIA closed at 39,005.49 (+0.61% DoD).

US Treasury yields rose as the February US inflation data slightly exceeded estimates, adding to market's expectations that the US Fed can afford to cut rates in the latter part of this year. On average, yields rose by 3.78 bps, with the 2Y closing at 4.59% (+5.00 bps) and the 10Y closing at 4.16% (+5.50 bps).

The **US dollar** slightly strengthened after US headline and core inflation data surprised to the upside. The DXY closed at 102.96 (+0.09% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,175.27	+1.12%
DJIA	39,005.49	+0.61%
3-mo US Treasury yield	5.41%	-0.10 bps
2-yr US Treasury yield	4.59%	+5.00 bps
10-yr US Treasury yield	4.16%	+5.50 bps
DXY	102.96	+0.09%

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