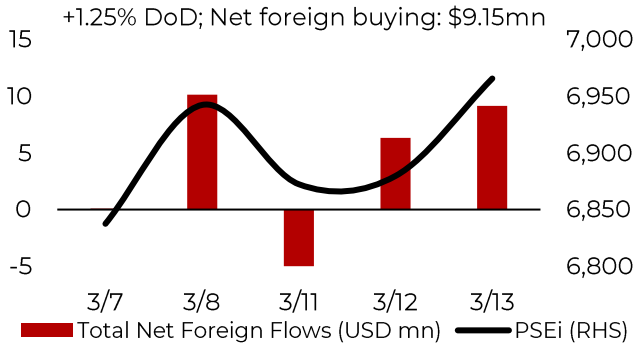


# The Morning View

March 14, 2024

## Philippine Stock Exchange Index



	Level	DoD
PSEi	6,965.51	+1.25%
3-mo bond yield	5.77%	-0.16 bps
2-yr bond yield	6.04%	-1.89 bps
10-yr bond yield	6.23%	-0.15 bps
USDPHP	55.40	+0.16%
Oil (Brent, \$ / barrel)	84.03	+2.58%

**Moody's Investors Service** sees food security risk in the Asia Pacific region to remain elevated as climate shocks are anticipated to disrupt food production. It also noted that the Philippines and Laos have higher exposure and lower resilience against shocks.

**Ayala Land, Inc. (Ticker: ALI) plans to merge 34 of its subsidiaries to simplify the ownership structure and unlock operational synergies.** Once stockholders approve the proposal during the annual meeting in April 2024, the merger will then be filed with the Securities and Exchange Commission and is expected to be approved within the year.

**Local equities** rose, despite the higher-than-expected US inflation print, amid optimism in Wall Street after Oracle posted upbeat earnings results. The PSEi closed at 6,965.51 (+1.25% DoD).

**Local fixed income yields** fell as investors shrugged off the higher-than-expected US inflation print which rose to 3.2% in February. On average, yields fell by 0.90 bps, with the 2Y closing at 6.04% (-1.89 bps) and the 10Y closing at 6.23% (-0.15 bps).

The **Philippine peso** slightly weakened following the higher-than-expected US inflation data for February. The USD/PHP pair closed at 55.40 (+0.16% DoD).

**Bank of Japan Governor Kazuo Ueda said that the ongoing annual wage negotiations are critical in deciding the timing of the stimulus exit.** Ueda added that the central bank will consider tweaking its policy framework if inflation sustainably progresses towards its 2% target.

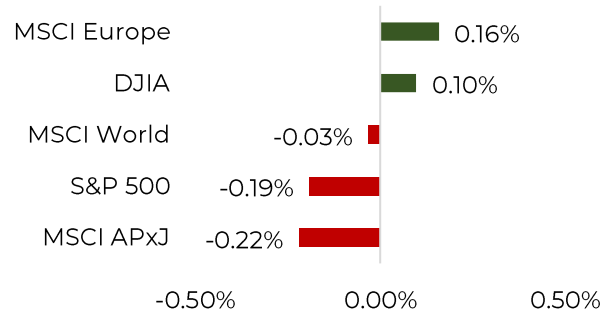
**Eurozone industrial production was down by 3.2% MoM in January (December: revised +1.6%).** The contraction was primarily attributed to decrease in the production of capital goods. Output was also lower for durable and non-durable consumer goods.

**US equities** ended mixed as investors took profits in chipmaker stocks. This was also ahead of the release of the US Producer Price Index (PPI) data, which could give further insight on the inflation trend. The S&P 500 closed at 5,165.31 (-0.19% DoD) and the DJIA closed at 39,043.32 (+0.10% DoD).

**US Treasury yields** climbed as investors continued to weigh the higher-than-expected US inflation print and its implications on the timing of rate cuts from the Fed. On average, yields rose by 2.97 bps, with the 2Y closing at 4.64% (+4.90 bps) and the 10Y closing at 4.19% (+3.70 bps).

The **US dollar** weakened ahead of key economic data releases such as PPI, retail sales, and jobless claims. The DXY closed at 102.79 (-0.16% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,165.31	-0.19%
DJIA	39,043.32	+0.10%
3-mo US Treasury yield	5.41%	+0.20 bps
2-yr US Treasury yield	4.64%	+4.90 bps
10-yr US Treasury yield	4.19%	+3.70 bps
DXY	102.79	-0.16%

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