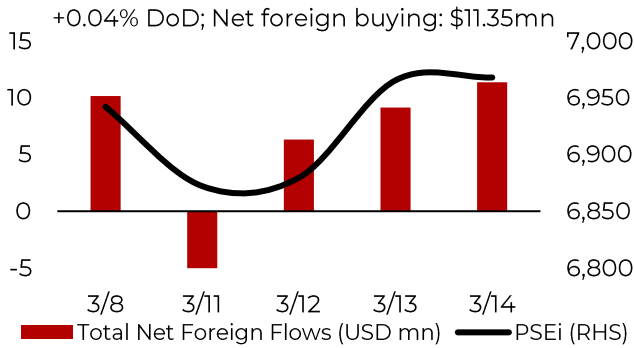


The Morning View

March 15, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,967.96	+0.04%
3-mo bond yield	5.77%	-0.03 bps
2-yr bond yield	6.03%	-1.21 bps
10-yr bond yield	6.22%	-1.11 bps
USDPHP	55.40	+0.01%
Oil (Brent, \$ / barrel)	85.42	+1.65%

Fitch Ratings expects the Philippine economy to grow by 6.4% in 2024, the fastest economic growth expected in Southeast Asia. The credit rating agency expects growth to be underpinned by large infrastructure investments, as well as reforms that will foster trade and investments through public-private partnerships.

PLDT Inc. (Ticker: TEL) entered into a supply agreement with ACEN Corporation (Ticker: ACEN) to power 33 of its facilities in the National Capital Region. ACEN will source its power from solar and geothermal energy. This is expected to reduce 21,000 tons of carbon emissions per year.

Local equities inched up amid bargain hunting. Investors also awaited the release of retail sales and producer inflation data in the US. The PSEi closed at 6,967.96 (+0.04% DoD).

Local fixed income yields fell ahead of key economic data releases in the US, including retail sales and producer price index (PPI). On average, yields fell by 0.51 bps, with the 2Y closing at 6.03% (-1.21 bps) and the 10Y closing at 6.22% (-1.11 bps).

The **Philippine peso** remained flat ahead of the release of key US inflation data. The USD/PHP pair closed at 55.4 (+0.01% DoD).

US retail sales rose 0.6% MoM in February (January: revised -1.1%), below the consensus estimate of 0.8%. This was mainly driven by the rebound in sales of building materials and garden equipment stores. Gains were also seen in sales of motor vehicle dealers, electronics and appliance outlets, as well as restaurants.

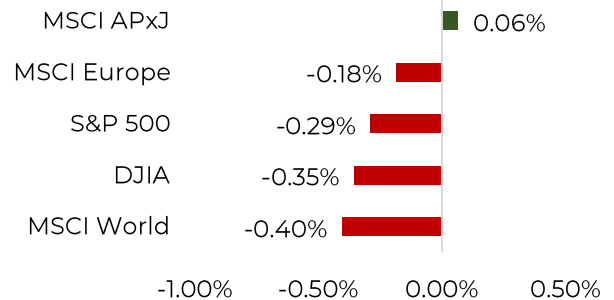
The US Producer Price Index (PPI) rose by 0.6% MoM in February (January: 0.3%) amid a surge in energy costs and an uptick in food prices. This reading was the highest in six months and topped street expectation of only a 0.3% MoM rise.

US equities fell as the markets digested the jump in US PPI in February. This was also amid extended profit-taking in chipmaker stocks. The S&P 500 closed at 5,150.48 (-0.29% DoD) and the DJIA closed at 38,905.66 (-0.35% DoD).

US Treasury yields climbed as investors weighed the higher-than-expected February US PPI inflation data which tempered the market's expectations on the timing of Fed rate cuts. On average, yields rose by 6.51 bps, with the 2Y closing at 4.70% (+5.90 bps) and the 10Y closing at 4.29% (+10.00 bps).

The **US dollar** strengthened as PPI inflation rose 1.6% YoY, above consensus estimate of 1.2%. The DXY closed at 103.36 (+0.56% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,150.48	-0.29%
DJIA	38,905.66	-0.35%
3-mo US Treasury yield	5.41%	+0.50 bps
2-yr US Treasury yield	4.70%	+5.90 bps
10-yr US Treasury yield	4.29%	+10.00 bps
DXY	103.36	+0.56%