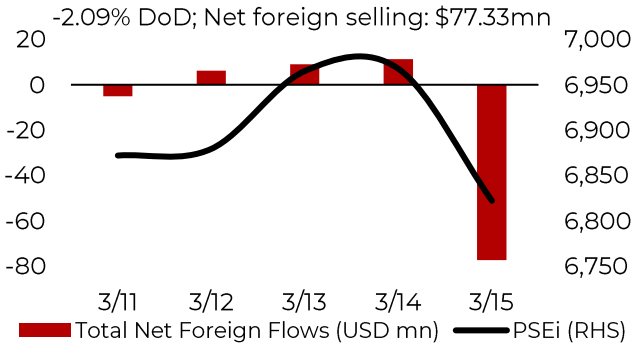


The Morning View

March 18, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,822.32	-2.09%
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	55.53	+0.23%
Oil (Brent, \$ / barrel)	85.34	-0.09%

The **Bangko Sentral ng Pilipinas (BSP)** reported that **cash remittances from overseas Filipino workers (OFW) rose 2.7% YoY to \$2.84 billion in January**. The growth was driven by higher remittances from both land- and sea-based OFWs. The BSP expects remittances to grow by 3% in 2024 and 2025.

Jollibee Foods Corporation (Ticker: JFC) targets to expand to new locations across the US through franchising. In 2024, the company plans to open up to 750 owned and franchised stores as well as expects capital expenditures to range between Php20 to Php23 billion. JFC closed 2023 with a store network of 6,885 worldwide.

Local equities fell after the above-consensus US producer price index (PPI), which rose by 0.6% MoM in February, tempered bets of a Fed rate cut in June. The PSEi closed at 6,822.32 (-2.09% DoD).

Local fixed income yields rose as investors digested the uptick in the February PPI inflation in the US. This was also ahead of the Fed's policy meeting this week. On average, yields rose by 0.95 bps, with the 2Y closing at 6.03% (-0.32 bps) and the 10Y closing at 6.22% (-0.13 bps).

The **Philippine peso** slightly weakened following the release of the higher-than-expected February US PPI inflation data. The USD/PHP pair closed at 55.53 (+0.23% DoD).

The **University of Michigan's US Consumer Sentiment Index inched down to 76.5 in March (February: 76.9)**. This was after slight improvements in personal finances were offset by modest declines in expectations for business conditions. Meanwhile, the inflation expectation for the year ahead was unchanged at 3.0%.

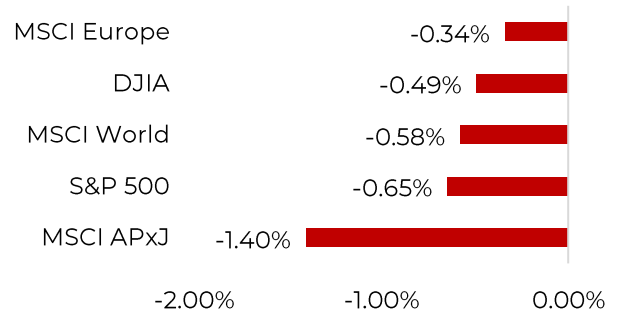
The **People's Bank of China (PBOC) kept its key policy rate, the one-year medium-term lending facility (MLF), unchanged at 2.5%**. With 481 billion yuan worth of MLF loans set to expire this month, the operation resulted in a net fund withdrawal amounting to 94 billion yuan from the banking system.

US equities declined after the AI-driven rally stalled as investors shifted their focus on the upcoming Fed policy meeting and the interest rate path outlook moving forward. The S&P 500 closed at 5,117.09 (-0.65% DoD) and the DJIA closed at 38,714.77 (-0.49% DoD).

US Treasury yields rose as investors weighed the higher-than-expected February US PPI inflation data and its implications on the timing of US Fed rate cuts. On average, yields rose by 8.16 bps, with the 2Y closing at 4.73% (+9.30 bps) and the 10Y closing at 4.31% (+11.60 bps).

The **US dollar** slightly strengthened as investors digested the stronger-than-expected industrial production data and higher-than-expected US PPI. The DXY closed at 103.43 (+0.07% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,117.09	-0.65%
DJIA	38,714.77	-0.49%
3-mo US Treasury yield	5.42%	+0.80 bps
2-yr US Treasury yield	4.73%	+9.30 bps
10-yr US Treasury yield	4.31%	+11.60 bps
DXY	103.43	+0.07%

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