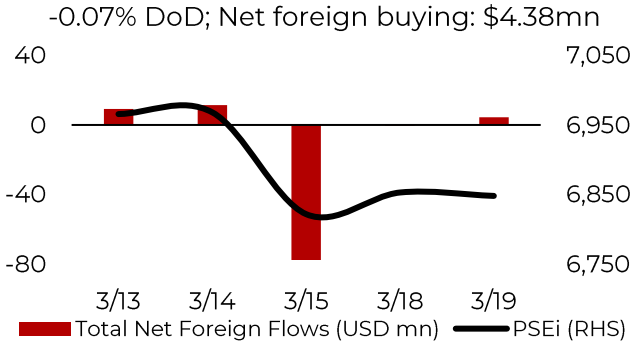


The Morning View

March 20, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,848.43	-0.07%
3-mo bond yield	5.75%	-4.03 bps
2-yr bond yield	6.04%	+1.03 bps
10-yr bond yield	6.22%	+0.35 bps
USDPHP	55.92	+0.61%
Oil (Brent, \$ / barrel)	87.38	+0.56%

The Philippines will be exporting 25,300 metric tons raw value (MTRV) of sugar to the US at lower tariff rates. This was after the US Trade Representative announced its additional 125,000 MTRV allocation under the tariff-rate quota system. The country received the second-highest allocation among the 20 eligible countries.

Bloomberry Resorts Corp. (Ticker: BLOOM) has settled its decade-long dispute with casino management Global Gaming Asset Management LLC (GGAM). The settlement agreed by the parties requires Sureste Properties, Inc. (SPI), a unit of BLOOM, to purchase all BLOOM shares held by GGAM for \$300 mn.

Local equities inched down as investors turned cautious ahead of the US Federal Reserve's policy decision this week. The PSEi closed at 6,848.43 (-0.07% DoD).

Local fixed income yields were mixed after the Bureau of the Treasury made a full award of its reissued 20-year bonds. This was also ahead of the US Fed's policy decision this week. On average, yields fell by 0.58 bps, with the 2Y closing at 6.04% (+1.03 bps) and the 10Y closing at 6.22% (+0.35 bps).

The **Philippine peso** weakened as investors digested the Bank of Japan's decision to hike its policy rates for the first time after 17 years. The USD/PHP pair closed at 55.92 (+0.61% DoD).

The Bank of Japan (BOJ) has ended its negative rate policy and marked its first rate hike in 17 years to the 0-0.1% range from -0.1%. It also ended its yield curve control policy which capped long-term rates around zero. BOJ Governor Ueda said that they may hike rates further should the inflation trend heighten a bit more.

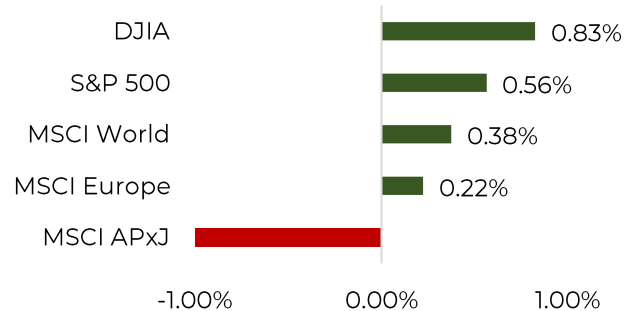
US overall housing starts rebounded by 10.7% MoM to 1.52 million units in February (January: -14.8%). This marked the biggest gain in nine months and has exceeded street expectations of an 8.2% rise. Building permits also rose 1.9% MoM in February (January: -1.5%)

US equities climbed amid optimism over chipmaker Nvidia's plans for its Blackwell AI chip. Investors also positioned ahead of the US Federal Reserve's policy rate decision and new set of economic projections this week. The S&P 500 closed at 5,178.51 (+0.56% DoD) and the DJIA closed at 39,110.76 (+0.83% DoD).

US Treasury yields declined as investors awaited guidance from the Fed policy meeting. On average, yields fell by 2.20 bps, with the 2Y closing at 4.69% (-4.70 bps) and the 10Y closing at 4.30% (-3.10 bps).

The **US dollar** slightly strengthened ahead of the Fed's policy decision and as investors digested the stronger-than-expected US housing data. The DXY closed at 103.82 (+0.23% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,178.51	+0.56%
DJIA	39,110.76	+0.83%
3-mo US Treasury yield	5.40%	+0.20 bps
2-yr US Treasury yield	4.69%	-4.70 bps
10-yr US Treasury yield	4.30%	-3.10 bps
DXY	103.82	+0.23%

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