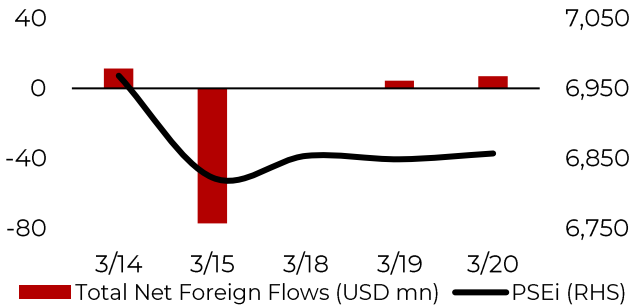


The Morning View

March 21, 2024

Philippine Stock Exchange Index

+0.12% DoD; Net foreign buying: \$6.97mn



	Level	DoD
PSEi	6,856.77	+0.12%
3-mo bond yield	5.73%	-2.31 bps
2-yr bond yield	6.05%	+1.05 bps
10-yr bond yield	6.22%	+0.26 bps
USDPHP	56.13	+0.38%
Oil (Brent, \$ / barrel)	85.95	-1.64%

Bangko Sentral ng Pilipinas (BSP) Governor Remolona said that local headline inflation could have accelerated further to 3.9% in March amid positive base effects. He also shared that the central bank is looking to reduce the banks' reserve requirement ratios "when the timing is right", possibly as early as this year.

Ayala Land, Inc.'s (Ticker: ALI) real estate investment trust, AREIT, executed a share-for-property swap for five properties valued at Php28.6 billion. The swap deal involved the issuance of 841.26 million common AREIT shares to ALI, Greenhaven Property Ventures, Cebu Insular Hotel, and ACEN Corp.'s Buendia Christiana Holdings, Corp.

Local equities marginally rose ahead of the US Federal Reserve's policy decision. This was also amid optimism in Wall Street. The PSEi closed at 6,856.77 (+0.12% DoD).

Local fixed income yields ended mixed ahead of the release of the US Fed's policy decision and revised economic projections. On average, yields fell by 0.53 bps, with the 2Y closing at 6.05% (+1.05 bps) and the 10Y closing at 6.22% (+0.26 bps).

The **Philippine peso** weakened as investors turned cautious ahead of the US Federal Reserve's policy decision overnight. The USD/PHP pair closed at 56.13 (+0.38% DoD).

The US Federal Reserve kept the key policy rate steady at the 5.25-5.50% range. It also released its new quarterly economic projections which showed that Fed officials still see three 25-basis point rate cuts in 2024. The Fed also raised its 2024 GDP growth and inflation forecasts to 2.1% and 2.6%, respectively (December: 1.4% and 2.4%).

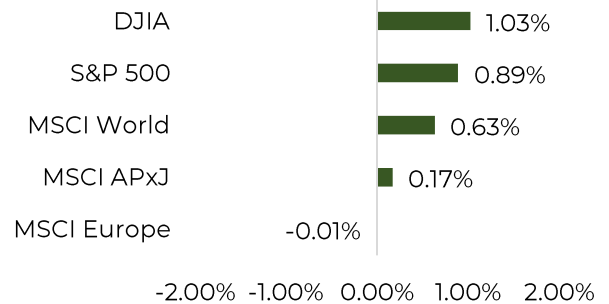
European Central Bank (ECB) President Christine Lagarde signaled a potential rate cut in June but is uncertain on the path of policy rates ahead. Data available in June, which includes the results of the spring wage negotiations, will provide more insight on the progress for inflation.

US equities rose after the US Fed kept its policy rate steady and raised its economic growth forecast for 2024. The Fed also kept its expectation of three rate cuts this year unchanged. The S&P 500 closed at 5,224.62 (+0.89% DoD) and the DJIA closed at 39,512.13 (+1.03% DoD).

US Treasury yields fell as the Fed maintained its three rate cuts projection for 2024. On average, yields fell by 3.14 bps, with the 2Y closing at 4.60% (-8.30 bps) and the 10Y closing at 4.28% (-2.00 bps).

The **US dollar** weakened after the Fed held policy rates unchanged and maintained an outlook of three 25-bps cuts in 2024. The DXY closed at 103.39 (-0.41% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,224.62	+0.89%
DJIA	39,512.13	+1.03%
3-mo US Treasury yield	5.40%	+0.20 bps
2-yr US Treasury yield	4.60%	-8.30 bps
10-yr US Treasury yield	4.28%	-2.00 bps
DXY	103.39	-0.41%

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