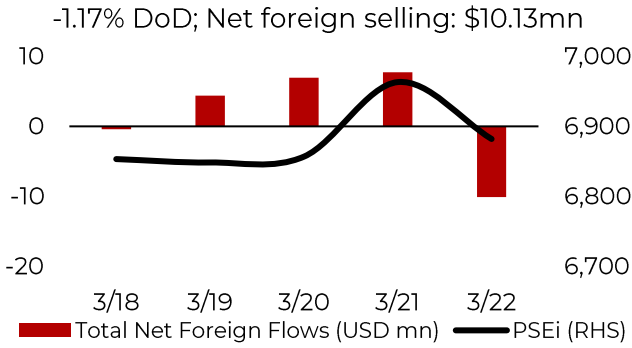


# The Morning View

March 25, 2024

## Philippine Stock Exchange Index



	Level	DoD
PSEi	6,881.97	-1.17%
3-mo bond yield	5.77%	+2.91 bps
2-yr bond yield	6.05%	+0.49 bps
10-yr bond yield	6.20%	-0.25 bps
USDPHP	56.27	+0.43%
Oil (Brent, \$ / barrel)	85.43	-0.41%

The **Bureau of the Treasury (BTr)** reported that the national government's gross borrowings fell by 44.6% YoY to Php203.2 billion in January. The decline can be attributed to a high base following the \$3.0-billion US dollar bond issuance in January 2023.

**Wilcon Depot, Inc. (Ticker: WLCON) is eyeing to achieve its 100-store target by 2024, a year earlier than initially planned.** WLCON opened nine new stores in 2023, ending the year with 90 branches. For 2024, the company plans to open two Do It Wilcon (DIW) branches and eight depot format stores.

**Local equities** fell amid profit-taking ahead of the Holy Week break. The PSEi closed at 6,881.97 (-1.17% DoD).

**Local fixed income yields** rose as investors digested BSP Governor Remolona's comment that inflation likely quickened to 3.9% in March. On average, yields rose by 0.37 bps, with the 2Y closing at 6.05% (+0.49 bps) and the 10Y closing at 6.20% (-0.25 bps).

The **Philippine peso** weakened amid a stronger US dollar as investors awaited the speech of US Fed Chair Powell and the release of the February US Personal Consumption Expenditures data (PCE) later this week. The USD/PHP pair closed at 56.27 (+0.43% DoD).

**US President Joe Biden signed the \$1.2-trillion spending bill passed by Congress, averting a government shutdown.** This permanent budget resolution came in after passing four stopgap measures for the past six months. Key federal agencies, including those related to defense, financial services, and homeland security, will remain funded until the fiscal year ending September 30.

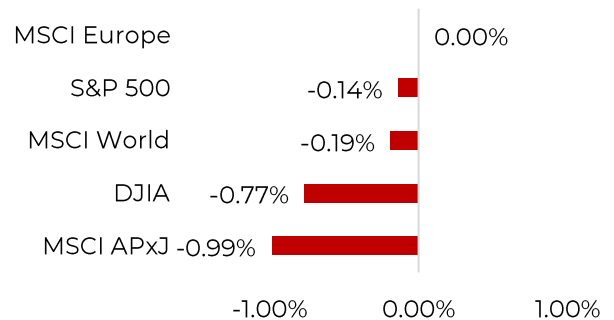
**Atlanta Federal Reserve Bank President Raphael Bostic said that he now expects just a single 25-bps policy rate cut** instead of the two he initially projected last December. Bostic cited the persistent inflation and the resilient economic data as factors causing him to scale back his rate-cut outlook for this year.

**US equities** slightly fell amid cautious sentiment as the markets awaited the release of the US PCE inflation print for February later this week. The S&P 500 closed at 5,234.18 (-0.14% DoD) and the DJIA closed at 39,475.9 (-0.77% DoD).

**US Treasury yields** fell as investors continued to weigh the US Fed's reaffirmation of policy rate cuts later this year and positioned ahead of the February US inflation data release. On average, yields fell by 4.65 bps, with the 2Y closing at 4.59% (-4.70 bps) and the 10Y closing at 4.20% (-6.90 bps).

The **US dollar** slightly strengthened ahead of the release of the February US PCE figures. The DXY closed at 104.43 (+0.41% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,234.18	-0.14%
DJIA	39,475.90	-0.77%
3-mo US Treasury yield	5.39%	-2.10 bps
2-yr US Treasury yield	4.59%	-4.70 bps
10-yr US Treasury yield	4.20%	-6.90 bps
DXY	104.43	+0.41%

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