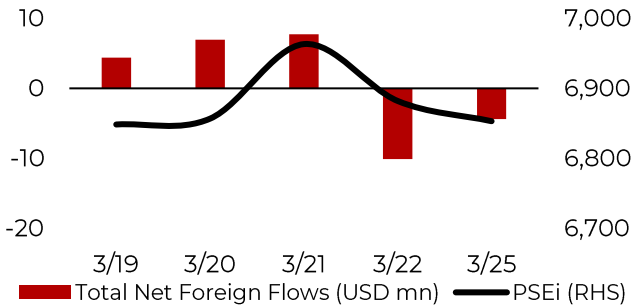


# The Morning View

March 26, 2024

## Philippine Stock Exchange Index

-0.42% DoD; Net foreign selling: \$4.38mn



	Level	DoD
PSEi	6,853.10	-0.42%
3-mo bond yield	5.76%	-1.69 bps
2-yr bond yield	6.05%	-0.10 bps
10-yr bond yield	6.20%	+0.46 bps
USDPHP	56.39	+0.21%
Oil (Brent, \$ / barrel)	86.75	+1.55%

**Department of Finance Secretary Ralph Recto** expects two 25-bps rate cuts in 2024. He cited that local inflation could stay higher for longer amid ongoing geopolitical tensions. Moreover, he noted that he does not expect a policy pivot at the Monetary Board meeting in April.

**JG Summit Holdings, Inc.'s (Ticker: JGS) real estate arm Robinsons Land Corp. (Ticker: RLC) allocates Php22 billion for domestic capital expenditures in 2024.** This will be used for the development and expansion of its subdivision land, condominium, residential units, and other real estate properties.

**Local equities** declined as investors stayed on the sidelines for the shortened trading week. The expected local inflation uptick for March also weighed down on market sentiment. The PSEi closed at 6,853.1 (-0.42% DoD).

**Local fixed income yields** ended mixed but fell on average as investors digested Secretary Recto's remarks that he is expecting two 25-bps rate cuts in 2024. On average, yields fell by 1.23 bps, with the 2Y closing at 6.05% (-0.10 bps) and the 10Y closing at 6.20% (+0.46 bps).

The **Philippine peso** weakened as investors weighed comments from some Fed officials that they might cut rates later or less than earlier expected. The USD/PHP pair closed at 56.39 (+0.21% DoD).

**Chicago Fed President Austan Goolsbee said that he sees three rate cuts this year.** While he did not say when these cuts might begin, he shared that housing inflation remains the "main puzzle" that could provide uncertainty in the Fed's goal to bring inflation back to target.

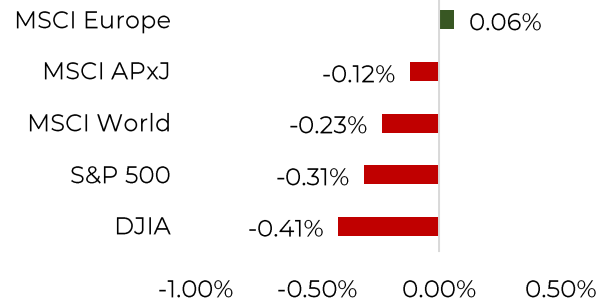
**US new home sales fell by 0.30% MoM in February (January: +1.50%)** after mortgage rates increased during the month. The report surprised to the downside as the market is expecting a 2.30% MoM rise.

**US equities** marginally declined as investors digested the cautious sentiment among several Fed officials. This was also ahead of the release of the US Personal Consumption Expenditures (PCE) data, the Fed's preferred inflation gauge. The S&P 500 closed at 5,218.19 (-0.31% DoD) and the DJIA closed at 39,313.64 (-0.41% DoD).

**US Treasury yields** inched upwards ahead of the release of the February US PCE data. On average, yields rose by 3.72 bps, with the 2Y closing at 4.63% (+3.70 bps) and the 10Y closing at 4.25% (+4.70 bps).

The **US dollar** slightly weakened following the weaker new home sales data in February. The decline was capped by hawkish remarks from Atlanta Fed President Bostic and Fed Governor Cook. The DXY closed at 104.22 (-0.20% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,218.19	-0.31%
DJIA	39,313.64	-0.41%
3-mo US Treasury yield	5.43%	+3.90 bps
2-yr US Treasury yield	4.63%	+3.70 bps
10-yr US Treasury yield	4.25%	+4.70 bps
DXY	104.22	-0.20%

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