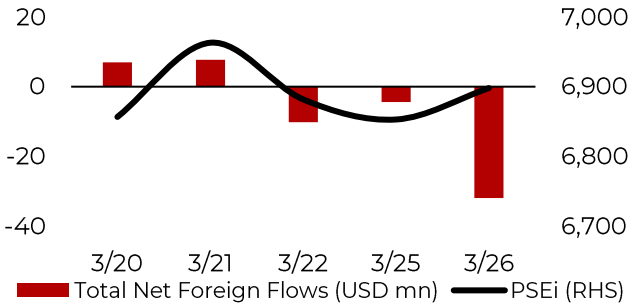


The Morning View

March 27, 2024

Philippine Stock Exchange Index

+0.66% DoD; Net foreign selling: \$31.89mn



The **Department of Science and Technology (DoST)** sees a 62% chance of La Niña taking over in June. Meanwhile, effects of El Niño could still extend until August. DoST expects that 48 provinces would be affected by drought, and 24 by dry spells.

Globe Telecom, Inc. (Ticker: GLO) raised Php4.91 billion from the sale of towers in 1Q24. GLO aims to collect Php39 billion from tower buyers in the first half of 2024. Proceeds will be used to finance capital expenditures and settle maturing debt as it works on returning to a positive cashflow by 2025.

Local equities rose amid bargain hunting. This was also after Finance Secretary Recto's comment that he expects two 25-basis point rate cuts this year. The PSEi closed at 6,898.17 (+0.66% DoD).

Local fixed income yields ended mixed but fell on average as investors continued to weigh Secretary Recto's projected rate cuts for 2024. This was also after the Bureau of the Treasury fully awarded the reissued 7-year Treasury bonds. On average, yields fell by 0.02 bps, with the 2Y closing at 6.04% (-1.13 bps) and the 10Y closing at 6.22% (+1.60 bps).

The **Philippine peso** slightly strengthened as investors weighed Finance Secretary Recto's remarks of potentially only two rate cuts from the BSP this year. The USD/PHP pair closed at 56.32 (-0.12% DoD).

	Level	DoD
PSEi	6,898.17	+0.66%
3-mo bond yield	5.73%	-2.29 bps
2-yr bond yield	6.04%	-1.13 bps
10-yr bond yield	6.22%	+1.60 bps
USDPHP	56.32	-0.12%
Oil (Brent, \$ / barrel)	86.25	-0.58%

US consumer confidence index was a little changed at 104.7 in March (February: revised 104.8). The Conference Board reported that US consumers are getting more concerned about the political environment ahead of the US presidential elections. Inflation expectations also rose to 5.3% this month (February: 5.2%).

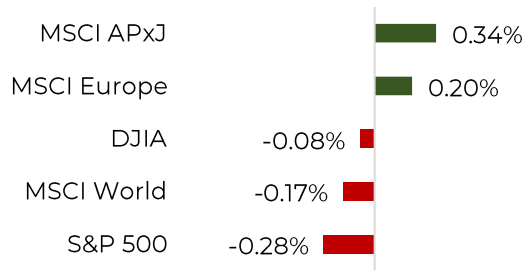
US Durable Goods Orders rebounded by 1.4% MoM in February (January: revised -6.9%), stronger than the market's expectation of a 1.0% rise. This suggests that the manufacturing sector is starting to show signs of recovery.

US equities modestly fell as investors awaited the release of the US Personal Consumption Expenditures (PCE) on Friday. The S&P 500 closed at 5,203.58 (-0.28% DoD) and the DJIA closed at 39,282.33 (-0.08% DoD).

US Treasury yields edged downwards ahead of the release of the February US PCE data. Investors also digested the weaker-than-expected consumer confidence data which signalled concerns about the US political environment in the future. On average, yields fell by 1.60 bps, with the 2Y closing at 4.60% (-3.30 bps) and the 10Y closing at 4.23% (-1.30 bps).

The **US dollar** closed flattish as investors digested mixed US economic data. The DXY closed at 104.30 (+0.07% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,203.58	-0.28%
DJIA	39,282.33	-0.08%
3-mo US Treasury yield	5.37%	-5.80 bps
2-yr US Treasury yield	4.60%	-3.30 bps
10-yr US Treasury yield	4.23%	-1.30 bps
DXY	104.30	+0.07%

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