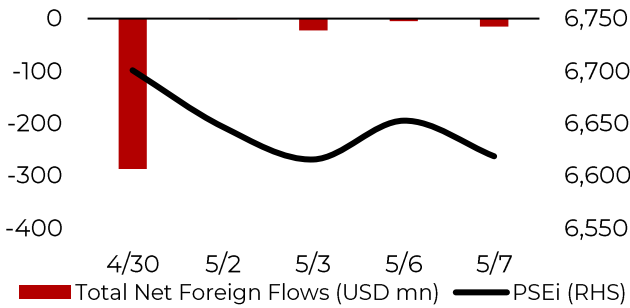


The Morning View

May 8, 2024

Philippine Stock Exchange Index

-0.51% DoD; Net foreign selling: \$15.56mn



	Level	DoD
PSEi	6,618.58	-0.51%
3-mo bond yield	5.80%	-1.03 bps
2-yr bond yield	6.49%	-2.00 bps
10-yr bond yield	6.86%	-4.38 bps
USDPHP	57.22	+0.00%
Oil (Brent, \$ / barrel)	83.16	-0.20%

The **Philippine Statistics Authority** reported that PH inflation accelerated to 3.8% in April from 3.7% in March. The main contributors to headline inflation remained to be food and transport costs. Meanwhile, core inflation continued to cool to 3.2% from 3.4% the month prior.

PLDT Inc. (Ticker: TEL) has secured a Php4-billion green loan from Metropolitan Bank & Trust Company (Ticker: MBT). The company will use the proceeds to fund its fiber footprint expansion to support its internet delivery platforms.

Local equities fell as investors digested the latest local inflation data which picked up to 3.8% in April. The PSEi closed at 6,618.58 (-0.51% DoD).

Local fixed income yields fell following the slower-than-expected local inflation print of 3.8% (consensus: 4.1%) in April. On average, yields fell by 2.25 bps, with the 2Y closing at 6.49% (-2.00 bps) and the 10Y closing at 6.86% (-4.38 bps).

The **Philippine peso** closed flat as investors weighed the weaker-than-expected local April inflation print and awaited the release of the local gross domestic product data for 1Q24. The USD/PHP pair closed at 57.22 (+0.00% DoD).

Minneapolis Federal Reserve President Neel Kashkari said that the Fed may have to keep rates steady "for an extended period" and possibly all year. Citing inflation remaining sticky, he also did not rule out a potential rate hike if inflation settles near 3%.

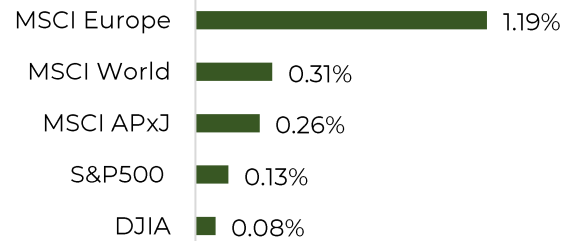
S&P Global UK Construction Purchasing Managers' Index (PMI) jumped to 53.0 in April (March: 50.2), driven by solid growth in the commercial and civil engineering sectors. This marked the fastest growth since February 2023. The reading stayed above 50.0 for the second straight month, indicating continued expansion.

US equities inched up amid continued hopes of a rate cut from the Fed following the weaker-than-expected US nonfarm payrolls in April. However, gains were partly offset by the 1Q24 earnings miss of entertainment giant Walt Disney. The S&P 500 closed at 5,187.70 (+0.13% DoD) and the DJIA closed at 38,884.26 (+0.08% DoD).

US Treasury yields declined as investors continued to digest the weaker-than-expected US labor report and the possibilities of rate cuts later this year. On average, yields fell by 1.65 bps, with the 2Y closing at 4.83% (-0.30 bps) and the 10Y closing at 4.46% (-3.00 bps).

The **US dollar** strengthened following hawkish comments from Minneapolis Fed President Kashkari. The DXY closed at 105.41 (+0.34% DoD).

Global Stock Indices



0.00% 0.50% 1.00% 1.50%

	Level	DoD
S&P 500	5,187.70	+0.13%
DJIA	38,884.26	+0.08%
3-mo US Treasury yield	5.41%	+0.80 bps
2-yr US Treasury yield	4.83%	-0.30 bps
10-yr US Treasury yield	4.46%	-3.00 bps
DXY	105.41	+0.34%

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