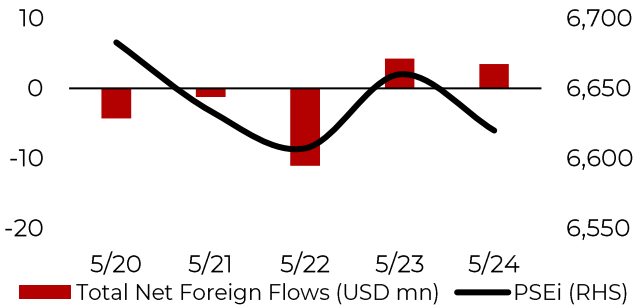


# The Morning View

May 27, 2024

## Philippine Stock Exchange Index

-0.60% DoD; Net foreign buying: \$3.50mn



	Level	DoD
PSEi	6,619.89	-0.60%
3-mo bond yield	5.79%	-0.31 bps
2-yr bond yield	6.31%	+1.64 bps
10-yr bond yield	6.72%	+0.73 bps
USDPHP	58.19	+0.10%
Oil (Brent, \$ / barrel)	82.12	+0.93%

The **Bureau of the Treasury (BTr)** reported a 31% YoY decline in the Philippine government's gross borrowings to Php89.2 billion as of April 2024. This was primarily due to a reduction in foreign borrowings, which dropped by 79% YoY to Php6.8 billion.

**Alliance Global Group, Inc.'s (PSEi Ticker: AGI) property unit, Megaworld Corporation, has earmarked Php5 billion to develop the Lialto Beach and Golf Estates.** This is a 150-hectare property located in Lian, Batangas and marks the company's 32<sup>nd</sup> township development.

**Local equities** fell as investors digested the hawkish Fed minutes and stronger-than-expected business activity data in the US, tempering expectations of a rate cut. The PSEi closed at 6,619.89 (-0.60% DoD).

**Local fixed income yields** rose as the markets digested Fed officials' hawkish tone in the minutes of their latest policy meeting. On average, yields rose by 0.37 bps, with the 2Y closing at 6.31% (+1.64 bps) and the 10Y closing at 6.72% (+0.73 bps).

The **Philippine peso** weakened ahead of the April US personal consumption expenditures (PCE) report. Investors also weighed the increasingly hawkish sentiment in the latest US Fed minutes. The USD/PHP pair closed at 58.19 (+0.10% DoD).

**US durable goods orders rose by 0.7% MoM in April, following a downwardly revised 0.8% gain in March** and beating market expectations of a 0.8% decline. This month's increase was led by robust demand for transport equipment, while computers and electronic products also supported gains.

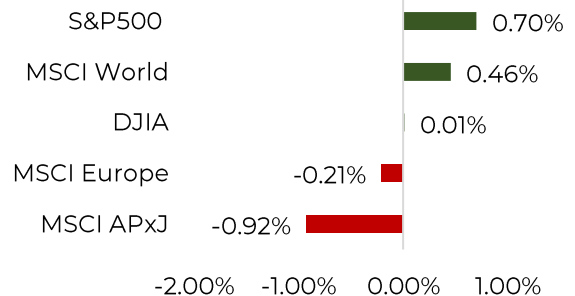
**Japan's core-core CPI inflation, which excludes fresh food and energy items, slowed to 2.4% YoY in April (March: 2.9%).** The deceleration can be attributed to milder rises in overall food prices. This also suggests that consumption remains soft, which could keep the Bank of Japan cautious from raising rates further.

**US equities** inched higher after the University of Michigan consumer survey showed better consumer outlook on inflation, with one-year expectations at 3.3%, down from 3.5%. The S&P 500 closed at 5,304.72 (+0.70% DoD) and the DJIA closed at 39,069.59 (+0.03% DoD).

**US Treasury yields** were mixed as investors digested the stronger-than-expected consumer sentiment index, showing a decline in inflation expectations. On average, yields fell by 0.23 bps, with the 2Y closing at 4.95% (+1.00 bps) and the 10Y closing at 4.47% (-1.20 bps).

The **US dollar** weakened on the back of easing inflation expectations in the US. The DXY closed at 104.72 (-0.37% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,304.72	+0.70%
DJIA	39,069.59	+0.01%
3-mo US Treasury yield	5.41%	-0.30 bps
2-yr US Treasury yield	4.95%	+1.00 bps
10-yr US Treasury yield	4.47%	-1.20 bps
DXY	104.72	-0.37%

This material, which is strictly for information purposes only, is for your sole use, does not constitute a recommendation or an offer to sell or a solicitation to buy any financial product. Any information is subject to change without notice and BPI Wealth is not under any obligation to update or keep current the information contained herein. You are advised to make your own independent judgment with respect to the matter contained in this document. No liability whatsoever is accepted for any loss that may arise (whether direct or consequential) from any use of the information contained herein.

All funds managed by BPI Wealth are Trust and/or Investment Management Funds, which do not carry any guarantee of income or principal, and are NOT covered by the Philippine Deposit Insurance Corporation. Past performance is not a guarantee of future results. BPI Wealth Investment Funds are valued daily using the marked-to-market method.