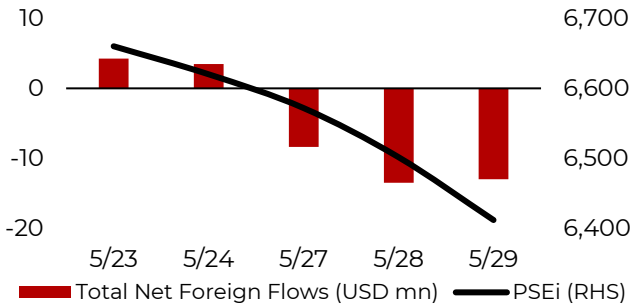


# The Morning View

May 30, 2024

## Philippine Stock Exchange Index

-1.38% DoD; Net foreign selling: \$13.02mn



	Level	DoD
PSEi	6,411.41	-1.38%
3-mo bond yield	5.72%	-0.33 bps
2-yr bond yield	6.30%	+0.81 bps
10-yr bond yield	6.74%	+2.67 bps
USDPHP	58.42	+0.78%
Oil (Brent, \$ / barrel)	83.60	-0.74%

The **Bangko Sentral ng Pilipinas (BSP)** said in its latest monetary policy report that the probability of inflation breaching the high end of the 2-4% target band in 2024 and 2025 remains high. Upside risks to the inflation outlook mainly come from elevated transport, food, electricity, and oil prices.

**Globe Telecom, Inc. (PSEi Ticker: GLO) appointed its first chief artificial intelligence (AI) officer.** Anton Reynaldo M. Bonifacio will head GLO's new AI Development and Enablement (AIDE) Group, leading efforts to integrate AI into operations and bolster GLO's technological capabilities.

**Local equities** fell after BSP's report showing that Philippine economic growth could settle below the government's target in 2024 and 2025 dampened market sentiment. The PSEi closed at 6,411.41 (-1.38% DoD).

**Local fixed income yields** rose as investors weighed the probability of local inflation breaching the BSP's 2-4% target in 2024 and 2025. On average, yields rose by 0.44 bps, with the 2Y closing at 6.3% (+0.81 bps) and the 10Y closing at 6.74% (+2.67 bps).

The **Philippine peso** weakened to an 18-month low as investors weighed hawkish remarks from Minneapolis Fed President Kashkari stating that he does not rule out a rate hike. The USD/PHP pair closed at 58.42 (+0.78% DoD).

The **US Federal Reserve's Beige Book survey of regional business contacts pointed to modest economic and price growth in early April to mid-May.** The survey also showed that retail spending was flat, reflecting lower discretionary spending and heightened price sensitivity of consumers.

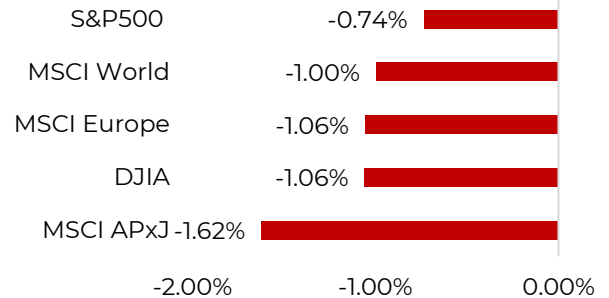
**Bank of Japan (BOJ) board member Seiji Adachi said that a rate hike is possible** if the continued weakening of the yen creates a large, adverse impact on inflation expectations. He added that the BOJ must also consider the upside risks to the economic and inflation outlook when making policy decisions.

**US equities** fell amid growing concerns over the timing of rate cut in the US. Investors also remained cautious ahead of the release of US PCE inflation for April. The S&P 500 closed at 5,266.95 (-0.74% DoD) and the DJIA closed at 38,441.54 (-1.06% DoD).

**US Treasury yields** rose ahead of the April US PCE report tomorrow. Investors also continued to digest hawkish remarks from Minneapolis Fed President Kashkari. On average, yields rose by 3.52 bps, with the 2Y closing at 4.98% (-0.60 bps) and the 10Y closing at 4.62% (+6.40 bps).

The **US dollar** strengthened after the Fed's beige book showed modest economic and price growth. The DXY closed at 105.12 (+0.49% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,266.95	-0.74%
DJIA	38,441.54	-1.06%
3-mo US Treasury yield	5.41%	-0.70 bps
2-yr US Treasury yield	4.98%	-0.60 bps
10-yr US Treasury yield	4.62%	+6.40 bps
DXY	105.12	+0.49%

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.