

April 17, 2023

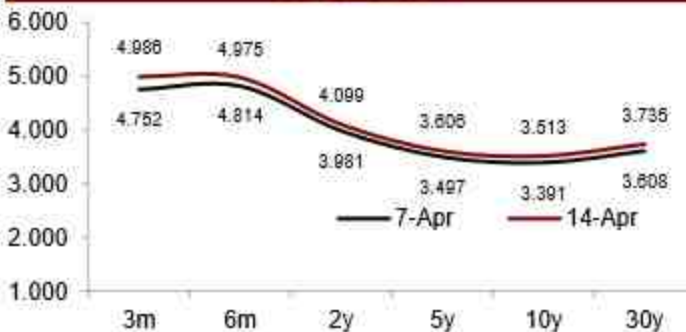
Global equities rose amid improved market sentiment following the softer inflation data in the US. Global yields were mixed as investors continued to assess the policy direction of major central banks. Global oil prices climbed on supply concerns.

Global Equities



- ✓ **US equities** rose as the softer-than-expected US Producer Price Index (PPI) and stronger-than-expected earnings spurred optimism. The S&P 500 closed at 4,137.64 (+0.79% WoW) and the DJIA closed at 33,886.47 (+1.20% WoW).
- ✓ **Asian equities** rose amid increasing bets that the US Fed might be near the end of its rate hike cycle following the cooling of the producer price index and retail sales data. The MSCI APxJ closed at 526.22 (+1.09% WoW).
- ✓ **European equities** rose as investors welcomed softer inflation in the US, raising hopes that the Fed will ease its monetary policy in the near term. The MSCI Europe closed at 156.92 (+1.68% WoW).

US Treasuries

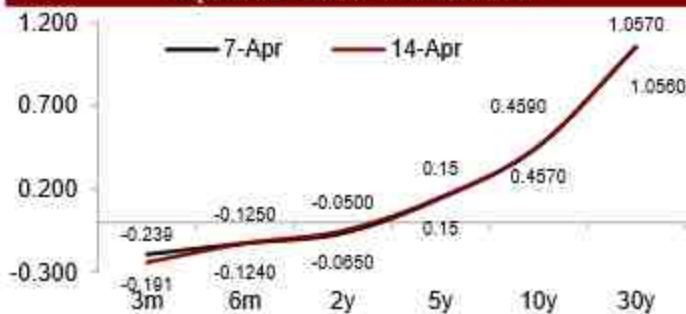


German Bunds



- ✓ **US Treasury yields** rose as investors digested a slew of economic data in the US, and remarks from Fed officials. On average, yields rose by 14.51 bps WoW with the 10Y closing at 3.51% (+12.22 bps).
- ✓ **German bund yields** went up as investors looked past the banking turmoil and focused on the ECB's hawkish remarks. On average, yields rose by 25.57bps WoW with the 10Y closing at 2.44 (+25.70bps).
- ✓ **Japanese bond yields** fell on average, after governor Kazuo Ueda said that the current monetary easing policy is apt, rather than risking to meet its 2% inflation target. On average, yields fell by 0.42 bps WoW with the 10Y closing at 0.48% (+0.20 bps).

Japanese Government Bonds



- ✓ **Key events that transpired during the week:**
- ✓ The **US Bureau of Labor Statistics** reported that inflation rose 5.0% in March from 6.0% in Feb. Food prices rose 8.5%, energy prices declined 6.4%, and the rest of the basket rose 5.6%.
- ✓ A **Reuters poll** estimated China to have closed the first quarter with a 4.0% GDP growth, ahead of the 2.9% seen last quarter. Full year GDP growth projection is 5.4%, coming from 3% in 2022, and slightly higher than the 5% set by the Chinese government.

- ✓ **Global oil prices** rose following the International Energy Agency's (IEA) statement that OPEC+ output cuts may intensify potential supply deficit amid expected stronger China consumption driven by improving mobility. Brent oil closed at \$86.31 per barrel (+1.40% WoW), while WTI crude closed at \$82.52 per barrel (+2.26% WoW).

Commodities

\$bbl	14-Apr-2023	% Change
Brent	86.31	1.40%
WTI	82.52	2.26%
BBC Commodity Index	107.82	1.49%

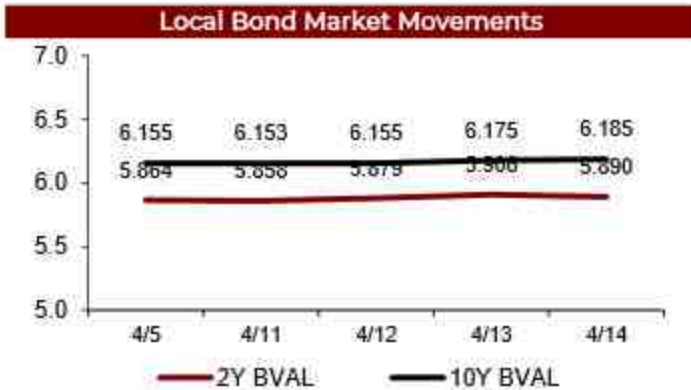
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Local equities slightly fell, local fixed income yields went up, and the Philippine peso weakened as investors weighed cooling US inflation data and recent downward adjustment of the BSP on its full year 2022 inflation forecast.

- Local equities fell marginally as sentiment from the BSP's downward revision of its FY2023 inflation forecast were offset by recessionary worries from the US Fed. The PSEI closed at 6,481.91 (-0.10% WoW).
- Top performers were BDO Unibank Inc. (PSE Ticker: BDO; 6.28%), San Miguel Corporation (SMC; 3.13%), and Metro Pacific Investments Corporation (MPI; 2.7%). Meanwhile, Aysla Land, Inc. (PSE Ticker: ALI; -4.33%), JG Summit Holdings, Inc. (JGS; -5.33%), and Robinsons Land Corporation (RLC; -5.62%) were the laggards of the week. **Key events that transpired during the week:**
- Alliance Global Group, Inc. (PSE Ticker: AGI) saw its 2022 net income increase to Php25.2 billion, up 6% YoY, on the back of the country's sustained economic recovery which propelled all its business segments. However, the company mentioned that gains were capped by inflationary pressure, high input costs, and supply chain bottlenecks.
- Robinsons Land Corp.'s (PSE Ticker: RLC) residential segment, RLC Residences, announced the launch of its fourth condominium building in Sierra Valley Gardens along Ortigas Avenue in Cainta, Rizal. The units range from 22 to 68 sqm and are equipped with smart home features.



- Local fixed income yields managed to stay flat in most tenors after the strong rally in the previous trading week. Market participants also weighed the BSP's statement that it will revise its full-year 2023 inflation forecast. On average, yields rose by 4.39 bps WoW with the 10Y closing at 6.19% (+3.00 bps).
- Key events that happened during the week:**
- The Bangko Sentral ng Pilipinas (BSP) will revise its full-year inflation figure below 6.0% after the cooler-than-expected 7.6% inflation print in March. It said the higher interest rates cooled inflation and stabilized the peso. The BSP's current inflation forecasts for FY2023 and FY2024 are 6.0% and 2.9% respectively. The central bank is set to release its revised forecasts in its May meeting.
- The International Monetary Fund hiked its growth outlook for the Philippines to 6% from its initial 5% estimate last January. If realized, the Philippines would be the fastest growing country in emerging and developing Asia in 2023.

- The Philippine peso weakened as investors weighed latest US economic data and remarks from US Fed officials. The USD/PHP pair closed at 55.21 (+1.49% WoW).
- The Euro strengthened against the US Dollar which broadly fell after economic data showed that US consumer and producer price indices softened last month. The EUR/USD pair closed at 1.10 (+0.80% WoW).

Foreign Exchange

USD/PHP	Previous	54,400
	Closing	55.210
EUR/USD	Previous	1.0905
	Closing	1.0992

