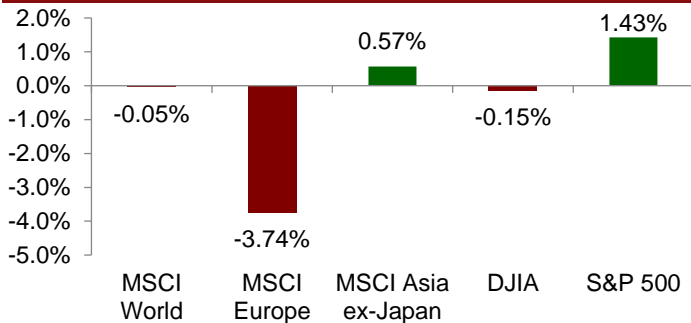


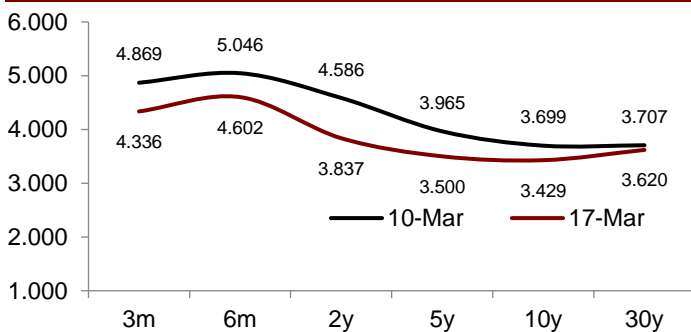
Global equities fell, global yields declined, and global oil prices plunged as investors continued to weigh persisting concerns in the global banking sector.

### Global Equities

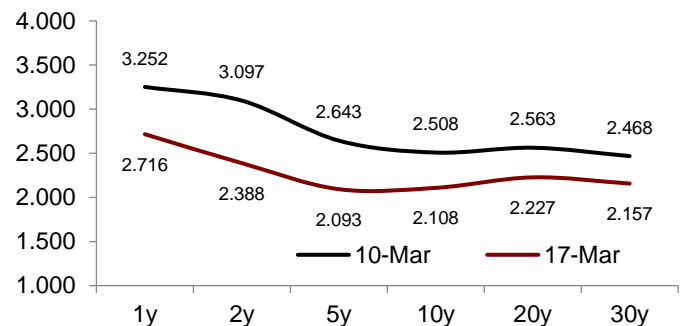


- ✓ **US equities** slumped due to worries over the stability of the financial sector following the collapse of SVB Financial Group and concerns in First Republic Bank and Credit Suisse. The S&P 500 closed at 3,861.59 (-4.55% WoW) and the DJIA closed at 31,909.64 (-4.44% WoW).
- ✓ **Asian equities** fell amid contagion fears in the banking sector after the fallout of Silicon Valley Bank and the turmoil around Credit Suisse. The MSCI APxJ closed at 503.31 (-3.85% WoW).
- ✓ **European equities** continued to fall on contagion fears and as investors digested the 50-bp rate hike from the European Central Bank (ECB). The MSCI Europe closed at 146.55 (-3.74% WoW).

### US Treasuries

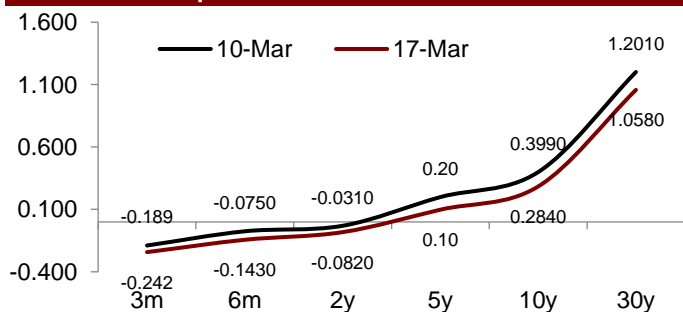


### German Bunds



- ✓ **US Treasury yields** fell as investors flocked to safe haven assets on the back of risk-off sentiment over contagion fears in the banking sector. This was also amid expectations of a dovish Fed following the release of the US inflation print which eased to 6% in February. On average, yields fell by 42.47 bps WoW with the 10Y closing at 3.43% (-27.01 bps).
- ✓ **German bund yields** plunged despite the recent 50-bp rate hike delivered by the ECB amid market jitters over the recent developments in the banking sector. On average, yields fell by 47.37 bps WoW with the 10Y closing at 2.11% (-40.00 bps).
- ✓ **Japanese bond yields** declined, tracking US Treasury yields, amid fears of a contagion in the banking sector. On average, yields went down by 8.85 bps WoW with the 10Y closing at 0.28% (-11.50 bps).
- ✓ **Key events that transpired during the week:**
- ✓ The **US Bureau of Labor Statistics** reported that US Consumer Price Index decelerated to 6.0% in February from 6.4% in January. Prices for food, energy, and other items rose 9.5%, 5.2%, and 5.5% respectively.
- ✓ The **ECB** delivered a 50-bp rate hike in its recent meeting despite bets of smaller rate hikes amid the recent turmoil in the banking sector. The central bank also upwardly revised its inflation projections to an average of 5.3% and 2.9% in 2023 and 2024, respectively.

### Japanese Government Bonds



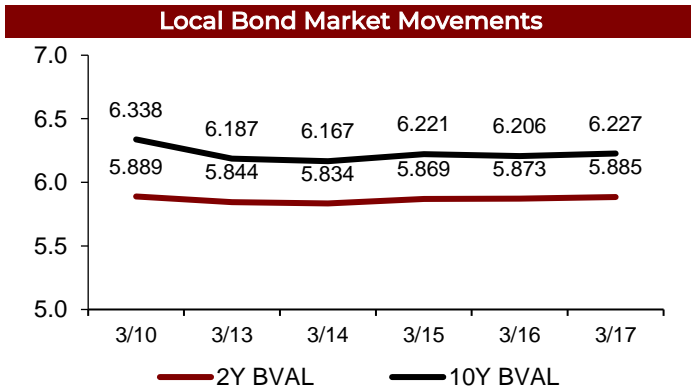
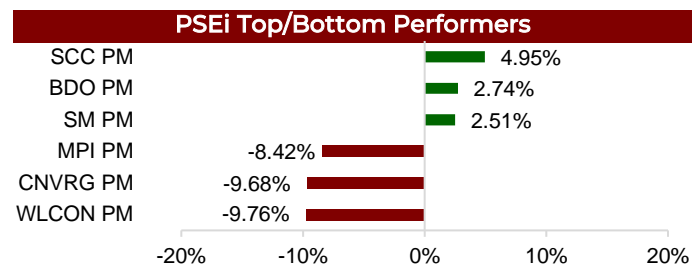
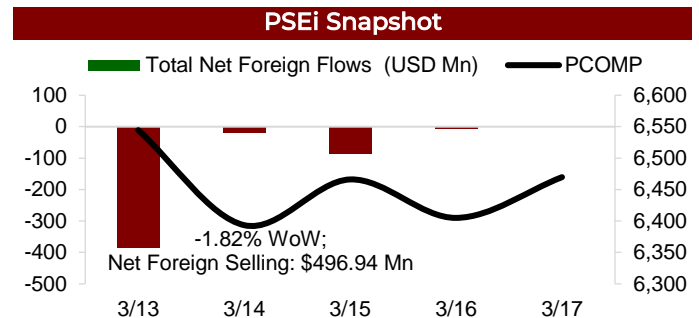
- ✓ **Global oil prices** plunged despite large draws in fuel inventories as contagion fears spread in the banking sector. Brent oil closed at \$72.97 per barrel (-11.85% WoW), while WTI crude closed at \$66.74 per barrel (-12.96% WoW).

### Commodities

\$bbl	17-Mar-2023	% Change
Brent	72.97	-11.85%
WTI	66.74	-12.96%
BBG Commodity Index	102.59	-1.87%

**Local equities declined and local fixed income yields fell on contagion fears. The Philippine peso strengthened on lower oil prices and dovish Fed sentiment.**

- ✓ **Local equities** continued to decline amid concerns in the global banking sector following the fallout of two major US banks, Silicon Valley Bank and Signature Bank. The PSEi closed at 6,469.72 (-1.82% WoW).
- ✓ Top performers were Semirara Mining and Power Corporation (PSE Ticker: SCC; 4.95%), BDO Unibank Inc. (BDO; 2.74%), and SM Investments Corporation (SM; 2.51%). Meanwhile, Metro Pacific Investments Corporation (PSE Ticker: MPI; -8.42%), Converge Information and Communications Technology Solutions, Inc. (CNVRG; -9.68%), and Wilcon Depot, Inc. (WLCON; -9.76%) were the laggards of the week.
- ✓ **Key events that transpired during the week:**
- ✓ **Jollibee Foods Corp., (PSE Ticker: JFC)** reported a 26.4% year-on-year increase in net income to Php7.6 billion in 2022. This was on the back of the 38.0% rise in revenues to Php211.9 billion. Sales growth was driven by the increase in same-store sales, new stores, the impact of the Milksha acquisition, and gains from foreign currency translation.
- ✓ **Megaworld Corp. (PSE Ticker: MEG)** announced that it will allot Php55 billion in capital expenditures for FY2023, nearly 20% higher compared to the previous year. The company is targeting to reach around Php130 billion in reservation sales for residential projects and to increase project launches to Php60 billion in 2023.



- ✓ **Local fixed income yields** fell on contagion fears which eroded confidence in the banking sector. However, market jitters eased towards the end of the week as news that First Republic Bank and Credit Suisse will receive financial help lifted sentiment. On average, yields went down by 2.01 bps WoW with the 10Y closing at 6.23% (-11.01 bps).
- ✓ **Key events that happened during the week:**
- ✓ **S&P Global Ratings** said that the Asia-Pacific banking sector, including the Philippines, has sufficient buffers to cope with potential contagion effects following the Silicon Valley Bank collapse. The banks have negligible direct exposure and manageable secondary impacts. S&P also noted that it sees no rating changes among the financial institutions as a direct result of the SVB default.
- ✓ **Bloomberg consensus** expects a 25-basis point (bp) hike from the Bangko Sentral ng Pilipinas (BSP) in its upcoming Monetary Board meeting on March 23. Market players are expecting a 25-bp hike after local inflation decelerated to 8.6% in February.

### Foreign Exchange

Pair	Previous	Closing
USD/PHP	55.170	54.710
EUR/USD	1.0643	1.0670

- ✓ The **Philippine peso** strengthened on the back of lower global crude oil prices and bets of a dovish Fed after US inflation decelerated in February and came out in line with expectations. The USD/PHP pair closed at 54.71 (-0.83% WoW).
- ✓ The **Euro** strengthened after the ECB stuck to its plan and raised policy rates by 50 bps despite the recent turmoil in the banking sector. The EUR/USD pair closed at 1.07 (+0.25% WoW).

