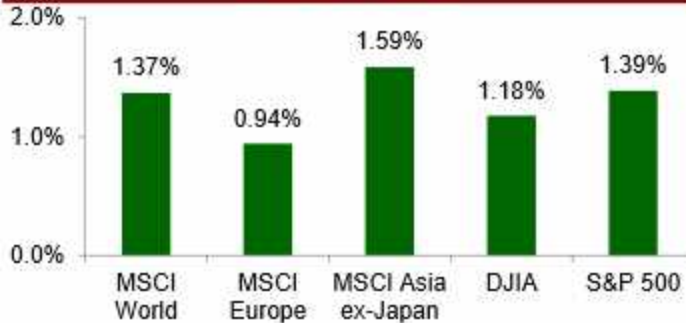


Global equities rose, global yields were mixed, and global oil prices climbed as investors digested developments in the banking sector as well as the US Fed's latest policy decision.

### Global Equities



- ✓ **US equities** rose amid hopes that the US Federal Reserve is nearing the end of its rate-hiking cycle following its recent 25-bp interest rate hike. Investors also continued to monitor developments in the banking sector. The S&P 500 closed at 3,970.99 (+1.39% WoW) and the DJIA closed at 32,237.53 (+1.18% WoW).
- ✓ **Asian equities** rose as sentiment improved across the region after pledges of government support to the banking sector lifted investors' confidence. Market participants also digested the Fed's recent 25-bp rate hike. The MSCI APxJ closed at 514.20 (+1.59% WoW).
- ✓ **European equities** gained on bargain hunting following the recent declines due to contagion fears. Banking stocks remained flat throughout the week amid weak sentiment. The MSCI Europe closed at 147.93 (+0.94% WoW).

### US Treasuries



### German Bunds



- ✓ **US Treasury yields** were mixed but rose on average as investors digested the 25-bp rate hike from the US Fed and developments in the banking sector. On average, yields rose by 2.93 bps WoW with the 10Y closing at 3.38% (-5.24 bps).
- ✓ **German bund yields** rose as investors digested the 25-bp rate hike by the Fed. On average, yields rose by 3.40 bps WoW with the 10Y closing at 2.13% (+2.10 bps).
- ✓ **Japanese bond yields** slightly fell amid safe-haven demand and after investors made a record weekly purchase of Japanese government bonds after the Bank of Japan maintained its ultra loose policy. On average, yields went down by 0.88 bps WoW with the 10Y closing at 0.28% (-0.40 bps).
- ✓ **Key events that transpired during the week:**
- ✓ The US Federal Reserve hiked its key policy rate by 25 bps, within market expectations and left its forward guidance unchanged. The dot plot shows the upper target of the Fed funds rate range at 5.25%, 4.25%, and 3.25% by 2023, 2024, and 2025 respectively.
- ✓ Eurozone Flash Composite Purchasing Managers' Index (PMI) rose to 54.1 in March from 52.0 in February. The services PMI climbed to 55.6, while the manufacturing PMI remained in contractionary territory at 47.1.

### Japanese Government Bonds



- ✓ **Global oil prices** rose as the Credit Suisse rescue alleviated fears of a banking crisis that would harm economic growth and reduce fuel demand. Brent oil closed at \$74.99 per barrel (+2.77% WoW), while WTI crude closed at \$69.26 per barrel (+3.78% WoW).

### Commodities

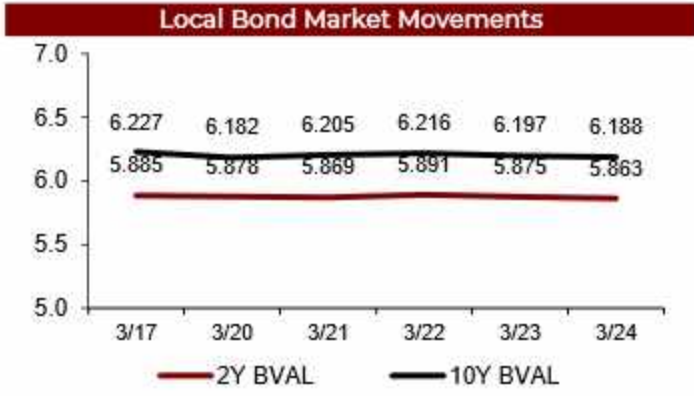
\$bbl	24-Mar-2023	% Change
Brent	74.99	2.77%
WTI	69.26	3.78%
BBG Commodity Index	103.02	0.42%





Local equities rebounded on slower inflation expectations from the BSP. Local fixed income yields rose following the recent rate hikes by central banks. The Philippine peso strengthened on improving banking sector sentiment.

- Local equities rose amid optimism after the Bangko Sentral ng Pilipinas revised its 2023 and 2024 inflation forecast lower to 6.0% (from previously 6.1%) and 2.9% (from previously 3.1%), respectively. The PSEI closed at 6,602.17 (+2.05% WoW).
- Top performers were Ayala Corporation (PSE Ticker: AC; 9.18%), ACEN CORPORATION (ACEN; 8.81%), and Ayala Land, Inc. (ALI; 8.78%). Meanwhile, Semirara Mining and Power Corporation (PSE Ticker: SCC; -1.63%), Metro Pacific Investments Corporation (MPI; -1.89%), and Converge Information and Communications Technology Solutions, Inc. (CNVRG; -2.29%) were the laggards of the week.
- Key events that transpired during the week:
  - PLDT Inc.'s (PSE Ticker: TEL) earnings fell by 60.2% to Php10.5 million in FY2022 due to the accelerated depreciation on its transport network, 2G/3G assets, old fiber optic cables and legacy network equipment. The company has set aside Php80 billion to Php85 billion for capital expenditure projects in 2023, down from Php96.8 billion last year.
  - Monde Nissin Corp. (PSE Ticker: MONDE) has reallocated some of the proceeds of its initial public offering (IPO) to some of its capital expenditures in 2023. The Php1.1-million capex initially allocated for the meat alternative business will be shifted to the Asia-Pacific branded food and beverage business.



- Local fixed income yields were mixed but rose on average as investors weighed the policy decisions of the US Fed and the BSP. Both central banks raised benchmark policy rates by 25 bps to 4.75% and 6.25%, respectively. On average, yields rose by 4.01 bps WoW with the 10Y closing at 6.19% (-3.96 bps).
- Key events that happened during the week:
  - The Bangko Sentral ng Pilipinas (BSP) raised its benchmark rate by 25 basis points (bps) to 6.25% and hinted on a possible pause in the next meeting. The central bank also downgraded its average inflation forecast from 6.1% to 6.0% in 2023 and from 3.1% to 2.9% in 2024.
  - The National Economic and Development Authority (NEDA) Secretary Arsenio Balisacan said high inflation may drag economic growth in 2023 and 2024. He noted that growth will be driven by strong demand for consumption and investment but outlook may be dampened by domestic risks to inflation and high interest rates. He highlighted that inflation is the most crucial issue the National Government needs to urgently address.

### Foreign Exchange

Pair	Previous	Closing
USD/PHP	54.710	54.350
EUR/USD	1.0670	1.0760

- The Philippine peso strengthened as concerns over the global financial sector eased after news of UBS' rescue of Credit Suisse lifted market sentiment. This was also following the rate 25-bps hike from the BSP. The USD/PHP pair closed at 54.357(-0.66% WoW).
- The Euro continued to strengthen after European Central Bank President Christine Lagarde gave hawkish hints and noted that the fight against inflation is not yet over. However, the ECB said that hefty rate hikes are already behind us. The EUR/USD pair closed at 1.0760 (+0.94% WoW).

