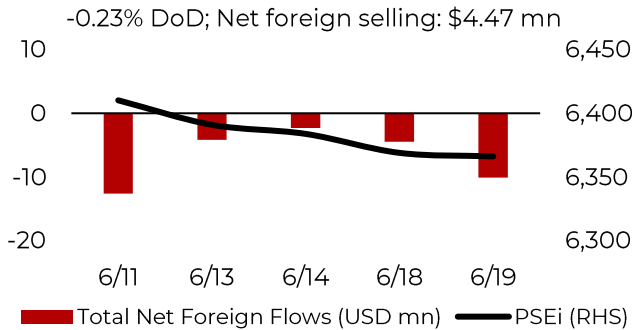


The Morning View

June 20, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,366.03	-0.04%
3-mo bond yield	5.65%	+0.95 bps
2-yr bond yield	6.29%	+0.65 bps
10-yr bond yield	6.70%	-1.03 bps
USDPHP	58.76	+0.23%
Oil (Brent, \$ / barrel)	85.07	-0.30%

The Bangko Sentral ng Pilipinas (BSP) extended Php242.6 million in loans in 2023, 99.9% lower than the loans granted in 2022. According to the BSP's annual report, the significant decline may be attributed to the banks' non-availment of rediscounting loans and the government's non-renewal of provisional advances it secured to address the COVID-19 pandemic in 2022.

Megawide Construction Corp. (PSEi Ticker: MWIDE) received approval for its Php5.0-billion bond offering from the Securities and Exchange Commission. Proceeds from the bonds will be used to refinance the company's existing debt and fund potential business development opportunities.

Local equities edged lower, sustaining its downtrend, as the increased net foreign selling weighed down on market sentiment. The PSEi closed at 6,366.03 (-0.04% DoD).

Local fixed income yields were mixed as investors weighed the softer-than-expected US retail sales data and hawkish signals from several US Federal Reserve officials. On average, yields rose by 0.60 bps, with the 2Y closing at 6.29% (+0.65 bps) and the 10Y closing at 6.70% (-1.03 bps).

The **Philippine peso** weakened as investors assessed the potential timing of rate cuts following cautious remarks from US Fed policymakers. The USD/PHP pair closed at 58.76 (+0.23% DoD).

United Kingdom's Consumer Price Index (CPI) inflation eased to its 2.0% target in May (April: 2.3%), the first time since July 2021.

However, services inflation, a key indicator of medium-term price pressures for the Bank of England, fell less-than-expected to 5.7% in the same month (April: 5.9%; consensus: 5.5%)

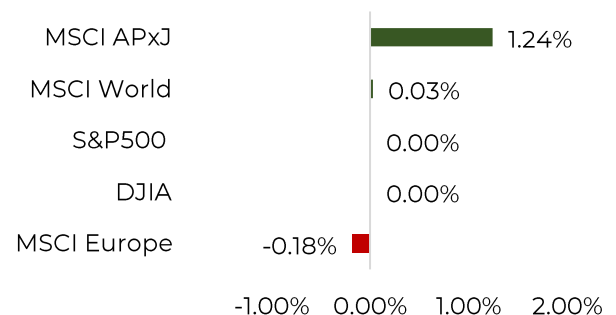
Japan's exports surged by 13.5% YoY to 8.2 trillion yen (\$51 billion) in May, led by automobiles and semiconductors. The faster-than-expected growth was helped by a weak yen and the strong demand in the US and Asia.

US equities were unchanged as the markets were closed in observance of the Juneteenth US national holiday. The S&P 500 closed at 5,487.03 (+0.00% DoD) and the DJIA closed at 38,834.86 (+0.00% DoD).

US Treasury yields were flat as US markets were closed in observance of the Juneteenth holiday. Yields remained unchanged with the 2Y at 4.72% (0.00 bps) and the 10Y at 4.23% (0.00 bps).

The **US dollar** closed flat as markets were closed in celebration of the US Juneteenth National Independence Day. The DXY closed at 105.25 (0.00% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,487.03	0.00%
DJIA	38,834.86	0.00%
3-mo US Treasury yield	5.39%	0.00 bps
2-yr US Treasury yield	4.72%	0.00 bps
10-yr US Treasury yield	4.23%	0.00 bps
DXY	105.25	0.00%