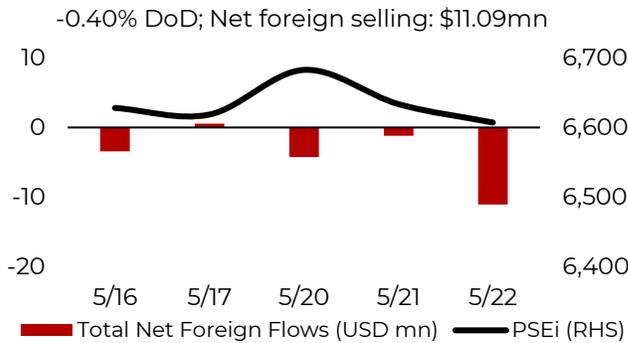


The Morning View

May 23, 2024

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,607.22	-0.40%
3-mo bond yield	5.84%	-1.02 bps
2-yr bond yield	6.29%	-3.65 bps
10-yr bond yield	6.70%	+2.40 bps
USDPHP	58.06	-0.36%
Oil (Brent, \$ / barrel)	81.90	-1.18%

National Economic Development Authority (NEDA) Secretary Arsenio M. Balisacan supported the proposal allowing the National Food Authority (NFA) to boost rice stocks through imports during emergencies. Under the Rice Tariffication Law, the NFA is required to source rice buffer only from local farmers.

Globe Telecom, Inc.'s (PSEi Ticker: GLO) fintech app Gcash eyes initial public offering (IPO) in 2025. The group is also studying a dual listing, with the second IPO possibly in the US, to take advantage of the liquidity in the US market.

Local equities fell as investors took a cautious stance amid the weakening of the peso. This was also ahead of the release of Nvidia's earnings report and the US Federal Reserve's meeting minutes. The PSEi closed at 6,607.22 (-0.40% DoD).

Local fixed income yields ended mixed as investors anticipated the release of the minutes of the Fed's latest policy meeting. On average, yields fell by 0.27 bps, with the 2Y closing at 6.29% (-3.65 bps) and the 10Y closing at 6.7% (+2.40 bps).

The **Philippine peso** strengthened following remarks from Bangko Sentral ng Pilipinas Governor Remolona stating that the central bank will intervene if necessary to smoothen excessive volatility. The USD/PHP pair closed at 58.06 (-0.36% DoD).

The minutes from the Fed's April 30-May 1 meeting showed that policymakers lacked the confidence to reduce interest rates as they grew more concerned over the stubbornness of inflation. Moreover, various officials mentioned a willingness to tighten policy further should risks to inflation materialize.

US existing home sales fell by 1.9% MoM in April (March: revised -3.7%). The decline was due to the increase in mortgage rates and house prices dampening demand. Meanwhile, housing inventory rose by 9% MoM to 1.21 million units, the highest since October 2021.

US equities declined following the release of the Federal Open Market Committee (FOMC) minutes, which highlighted concerns about the lack of progress on inflation. Investors also weighed remarks of potential further tightening if inflation risks persist. The S&P 500 closed at 5,307.01 (-0.27% DoD) and the DJIA closed at 39,671.04 (-0.51% DoD).

US Treasury yields inched upwards after the release of the FOMC minutes showed growing concerns about the lack of progress on inflation. On average, yields rose by 1.33 bps, with the 2Y closing at 4.87% (+4.20 bps) and the 10Y closing at 4.43% (+1.20 bps).

The **US dollar** strengthened as investors digested the hawkish Fed minutes. The DXY closed at 104.93 (+0.26% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,307.01	-0.27%
DJIA	39,671.04	-0.51%
3-mo US Treasury yield	5.42%	+1.00 bps
2-yr US Treasury yield	4.87%	+4.20 bps
10-yr US Treasury yield	4.43%	+1.20 bps
DXY	104.93	+0.26%

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.