



MARKET BITE

Bite-sized insights to keep you up-to-date on the financial markets

MARCH 2024

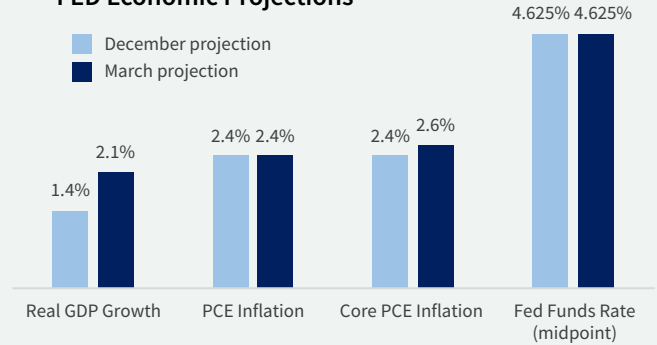
US Market: Latest data supports FED cuts but amount and timing still up in the air

2024 began with an expectation for a relative slowdown in global growth, especially in the US, given its surprise performance last year. Data through the first two months shows a resilience in the US economy and a downtrend on inflation, giving hope to investors and more importantly the Federal Reserve (FED) to achieve the soft landing they are looking for.

The recent Personal Consumption Expenditures (PCE) price index release, a measure of US consumers spending and the FED's preferred gauge for inflation movement, decreased to 2.4% in January leading to FED Chair Powell stating his confidence that inflation is headed in the right direction.

While the latest economic projections from the FED show a slight uptick in Core PCE Inflation forecast, the central bank still maintains the same target for interest rates, backing up the narrative that rate cuts are still in the picture this year.

FED Economic Projections



EU Market: ECB lowers inflation forecasts, may start cutting rates in June

In the recent policy meeting, the European Central Bank (ECB) slashed their inflation forecast this year from 2.7% down to 2.3%, and they are now expecting it to fall within their 2% target level by 2025 instead of 2026. Accompanied by market friendly comments from ECB Chief Christine Lagarde, which pertains to keeping interest rates low to stimulate economic growth, confidence among investors are growing and markets expect likely ECB rate cuts to begin in June at just over 95 base points (bps).



Did you know?

The AXA European Wealth fund has a YTD return of 5.61% as of end of February 2024.

The fund invests in the high growth potential of Eurozone equities by tracking the total return performance of the EURO STOXX 50 Index, which is composed of 50 stocks from 11 countries in the Eurozone, representing Eurozone blue-chip companies considered as leaders in their respective sectors.

With this, it's a great opportunity to allocate into the fund as it is expected to perform well with the economic backdrop of 2024.

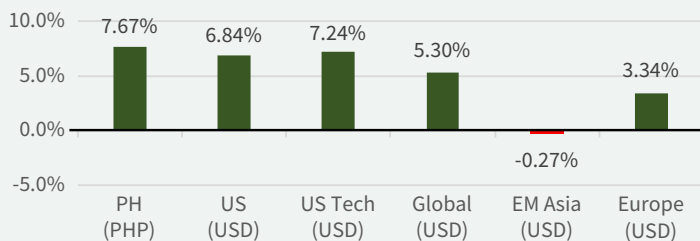
Strong economic data continues to support a positive Philippine equity market

The Philippine Stock Exchange index (PSEi) grew by 4.49% in February versus January as solid macroeconomic data and a strong corporate earnings session painted the picture of a healthy Philippine economy.

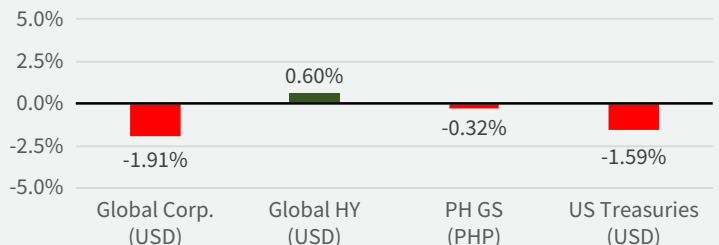
Real GDP growth for Q4 2023 compared to Q4 2022 is at 5.6% beating market forecasts, which raises growth expectations as well for the full year 2024. Although headline inflation rose to 3.4% for February from 2.8% in January, core inflation decreased to 3.6% from 3.8%, suggesting that cost and demand price pressures may be moderating. Headline inflation is the total inflation in the economy which includes commodities, goods and services, the core inflation though excludes the volatile food and energy prices. Lastly, as corporate earning reports continue to come in, the latest PSEi aggregate earnings shows +20% for FY 2023 and +14% for Q4 2023, with more companies either beating or aligned with forecasts.

FINANCIAL MARKETS SNAPSHOT

Equity Markets (YTD as of Feb. 29, 2024)



Fixed Income Markets (YTD as of Feb. 29, 2024)



AXA FUNDS OVERVIEW

Performance as of Feb. 29, 2024 (valuation date)

Peso Equity Funds

	MTD	YTD
Wealth Equity	4.83%	7.91%
Chinese Tycoon	2.85%	6.09%
Spanish-American	4.50%	5.30%
Opportunity	4.86%	7.83%

Peso Fixed Income and Balanced Funds

	MTD	YTD
Peso Liquidity	0.35%	0.73%
Wealth Bond	-0.25%	-0.64%
Wealth Balanced	2.08%	3.21%

Peso-Denominated Dollar Funds

	MTD	YTD
Peso GAF	3.84%	7.81%
Peso GDAF-Stable	0.18%	1.33%
Peso GDAF-Multi Asset	1.37%	2.66%
Peso GDAF-Growth	2.81%	4.64%

Dollar Equity Funds

	MTD	YTD
Asia Growth	4.21%	-1.45%
European Wealth	5.75%	5.61%
Global Advantage	4.01%	6.16%

AXA Global Dynamic Allocation Funds

	MTD	YTD
GDAF-Stable	0.31%	-0.13%
GDAF-Multi Asset	1.53%	1.15%
GDAF-Growth	3.02%	3.16%

Dollar Fixed Income Funds

	MTD	YTD
Capital Investment	-0.10%	0.04%
Premium Bond	-1.17%	-3.45%

Retire Smart Funds

	MTD	YTD
RS30	3.39%	5.57%
RS35	2.89%	4.69%
RS40	3.14%	5.13%
RS45	3.27%	5.37%

AXA Income Paying Funds

	MTD	YTD
Dollar GAIN	-0.05%	0.40%
Peso GAIN	-0.21%	1.83%
Dollar REIT IPF	1.64%	-4.21%
Peso REIT IPF	1.75%	-2.48%

