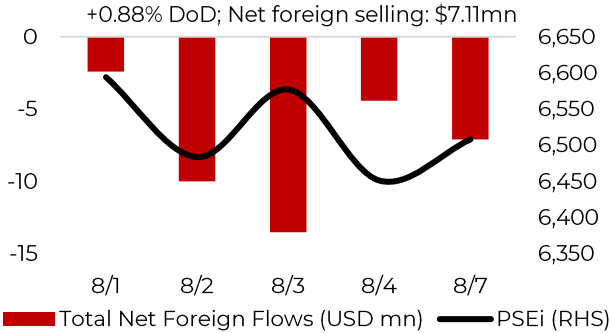


# The Morning View

AUGUST 8, 2023

## Philippine Stock Exchange Index



	Level	DoD
PSEi	6,507.78	+0.88%
3-mo bond yield	5.70%	+0.19 bps
2-yr bond yield	6.28%	+2.50 bps
10-yr bond yield	6.59%	+2.99 bps
USDPHP	56.02	+0.50%
Oil (Brent, \$ / barrel)	85.34	-1.04%

**Bloomberg consensus** estimates that the Philippine economy continued to expand in 2Q23. The firms surveyed believe that gross domestic product grew by 5.0-7.6%, with a median estimate of 6.0%. If the median estimate is realized, year-to-date growth will be 6.2%.

**PLDT Inc. (Ticker: TEL)** is eyeing Greater Metro Manila (GMM) as a potential location for its upcoming 12th data center. The company is considering a planned capacity of at least 100 megawatts.

**Local equities** went up amid bargain hunting following the decline in the previous trading day. Investors also stayed on the sidelines ahead of key local and US economic data releases. The PSEi closed at 6,507.78 (+0.88% DoD).

**Local fixed income yields** rose as the Bureau of the Treasury raised Php11.75 billion worth of T-bills. On average, yields rose by 3.4 bps, with the 2Y closing at 6.28% (+2.5 bps) and the 10Y closing at 6.59% (+2.99 bps).

The **Philippine peso** weakened amid expectations that Philippine GDP growth decelerated in 2Q23. This was also following the previous days' increases in global oil prices. The USD/PHP pair closed at 56.02 (+0.50% DoD).

**UK house prices dropped 0.3% MoM, 2.4% YoY in July** (June: 2.6% YoY) but remains 19% above pre-pandemic levels, according to mortgage lender Halifax. The British housing market remains resilient as demand holds up despite high mortgage rates.

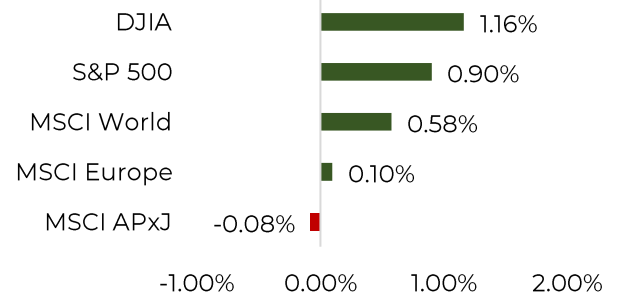
**UK Permanent Placements Index fell to 42.4 in July** according to Recruitment and Employment Confederation (REC) and KPMG survey, signaling a weakening labor market. Meanwhile, starting pay for permanent staff rose & the rate of wage growth was slowing.

**US equities** rose as investors digested a fresh batch of corporate earnings reports which mostly beat consensus expectations. Investors also positioned ahead of the upcoming July CPI data release. The S&P 500 closed at 4,518.44 (+0.90% DoD) and the DJIA closed at 35,473.13 (+1.16% DoD).

**US Treasury yields** gained as investors assessed economic outlook amid resilient jobs reports while awaiting key inflation data to be released this week. On average, yields gained 3.15 bps, with the 2Y closing at 4.77% (0 bps) and the 10Y closing at 4.10% (+5.70 bps).

The **US dollar** strengthened after US Fed officials commented that additional rate hikes are likely given persistent high inflation and tight labor market. The DXY closed at 102.05 (+0.03% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	4,518.44	+0.90%
DJIA	35,473.13	+1.16%
3-mo US Treasury yield	5.42%	+0.70 bps
2-yr US Treasury yield	4.77%	0.00 bps
10-yr US Treasury yield	4.10%	+5.70 bps
DXY	102.05	+0.03%

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