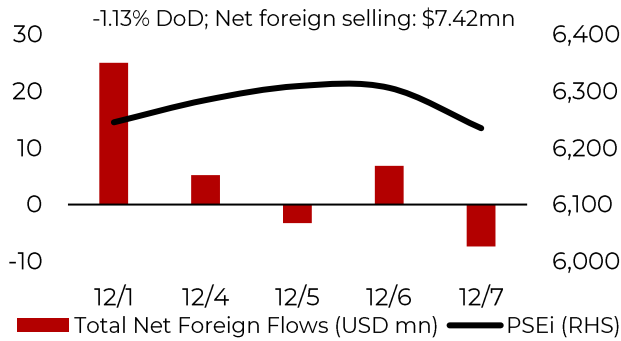


The Morning View

DECEMBER 11, 2023

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,234.77	-1.13%
3-mo bond yield	5.15%	-2.70 bps
2-yr bond yield	6.05%	+1.37 bps
10-yr bond yield	6.17%	-0.24 bps
USDPHP	55.30	-0.01%
Oil (Brent, \$ / barrel)	75.84	+2.42%

The Bureau of the Treasury reported that the national government's gross borrowings jumped **23.4% YoY to Php225.2 billion in October**. The increase was driven by the surge in domestic debt which more than tripled from the same month last year. This brought the 10-month period borrowings to Php1.975 trillion.

ACEN Corporation's (Ticker: ACEN) Singapore-based subsidiary ACEN Renewables International Pte. Ltd. signed its first \$100 million green term loan facility. The firm intends to utilize the loan facility as part of its international expansion plans into several markets, including Australia. The loan facility has a 5-year term with MUFG Bank, Ltd.

Local equities declined as hopes for a Santa Claus rally waned. The market also waited for guidance from the BSP and the US Fed's policy meetings this week. The PSEi closed at 6,234.77 (-1.13% DoD).

Local fixed income yields were mixed but increased on average as investors await the BSP and the US Fed's policy meetings this week. On average, yields rose by 0.69 bps, with the 2Y closing at 6.05% (+1.37 bps) and the 10Y closing at 6.17% (-0.24 bps).

The **Philippine peso** remained flat ahead of key central bank meetings and US labor data. The USD/PHP pair closed at 55.30 (-0.01% DoD).

The US unemployment rate fell to 3.7% in November (October: 3.9%), as the labor force participation rate increased. Meanwhile, nonfarm payrolls rose by 199,000 (October: 150,000) amid sizable gains in government hiring and workers returning from strikes.

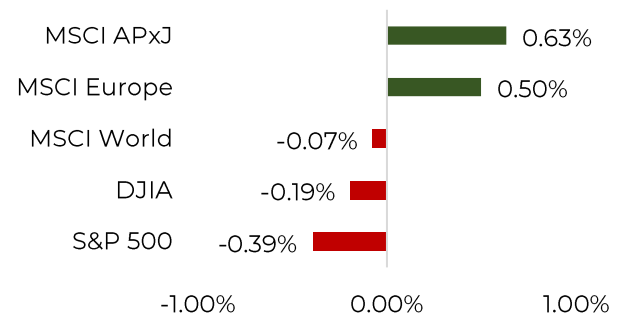
China's consumer price index fell by 0.5% YoY in November, the steepest decline in three years. Falling pork prices contributed to the decline amid an ample supply of hogs and sluggish demand. Producer prices also fell 3%, marking 14 straight months of deflating prices.

US equities rose as investors digested the lower unemployment rate and upbeat nonfarm payrolls data, which eased concerns about a possible recession. The S&P 500 closed at 4,604.37 (+0.41% DoD) and the DJIA closed at 36,247.87 (+0.36% DoD).

US Treasury yields jumped as investors digested the below-consensus November unemployment rate, which hinted the continued resilience of the labor market. On average, yields rose by 6.44 bps, with the 2Y closing at 4.72% (+12.40 bps) and the 10Y closing at 4.23% (+7.70 bps).

The **US dollar** strengthened after the better-than-expected US labor data in November bolstered soft landing expectations for the US economy. The DXY closed at 104.01 (+0.45% DoD)

Global Stock Indices



	Level	DoD
S&P 500	4,604.37	+0.41%
DJIA	36,247.87	+0.36%
3-mo US Treasury yield	5.40%	-0.70 bps
2-yr US Treasury yield	4.72%	+12.40 bps
10-yr US Treasury yield	4.23%	+7.70 bps
DXY	104.01	+0.45%