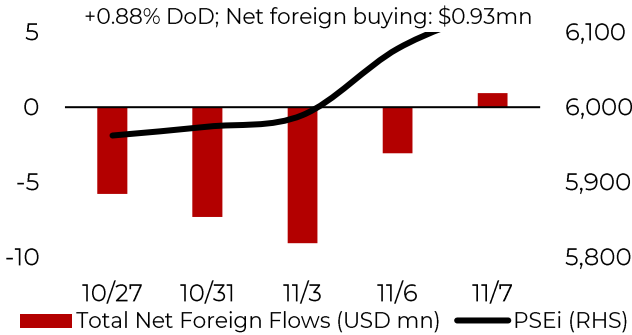


The Morning View

NOVEMBER 8, 2023

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,131.32	+0.88%
3-mo bond yield	6.15%	-2.60 bps
2-yr bond yield	6.56%	-1.24 bps
10-yr bond yield	6.90%	-2.05 bps
USDPHP	56.12	+0.37%
Oil (Brent, \$ / barrel)	81.61	-4.19%

The **Philippine Statistics Authority** reported that inflation decelerated to 4.9% in October amid sharp decreases in rice prices. This was below Bloomberg consensus forecast of 5.6% and the Bangko Sentral ng Pilipinas' forecast range of 5.1-5.9%. Year-to-date, inflation averaged 6.4%.

Globe Telecom, Inc. (Ticker: GLO) signed a combined Php12 billion worth of term loan facilities with Bank of the Philippine Islands (Php3 billion), China Banking Corporation (Php5 billion), and Robinsons Bank Corporation (Php4 billion). The loans will be used for the company's capital expenditures, debt refinancing, and other general requirements.

Local equities further rose as investors cheered the slower October inflation print of 4.9%. The PSEi closed at 6,131.32 (+0.88% DoD).

Local fixed income yields fell as inflation decelerated to 4.9% in October. On average, yields fell by 1.61 bps, with the 2Y closing at 6.56% (-1.24 bps) and the 10Y closing at 6.9% (-2.05 bps).

The **Philippine peso** weakened on bargain-hunting after breaching the Php56-level. Investors also digested mixed commentaries from some US Fed officials. The USD/PHP pair closed at 56.12 (+0.37% DoD).

US trade deficit widened by 4.9% MoM to \$61.5 billion in September, higher than the \$59.8 billion consensus estimate.

The widening of the gap was due to the growth in imports (+2.7% MoM) outpacing the growth in exports (+2.2% MoM).

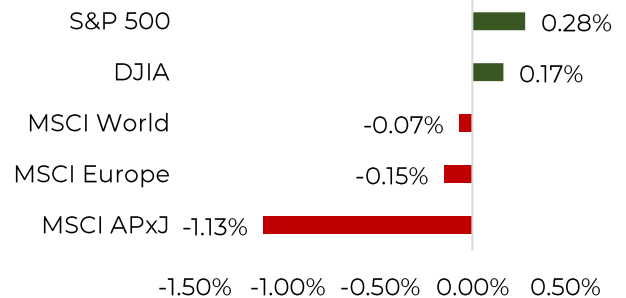
China's October imports unexpectedly grew 3% YoY (September: -6.2%), while exports shrank 6.4% YoY (September: -6.2%). This narrowed China's trade surplus to \$56.53 billion in October (September: \$77.71 billion).

US equities slightly rose as investors reacted to comments made by several US Federal Reserve officials on economic growth and its implications to monetary policy. The S&P 500 closed at 4,378.38 (+0.28% DoD) and the DJIA closed at 34,152.60 (+0.17% DoD).

US Treasury yields pulled back as investors digested mixed remarks from several Fed officials, with some suggesting that the Fed's tightening cycle may be nearing its end. On average, yields fell by 4.45 bps, with the 2Y closing at 4.92% (-1.70 bps) and the 10Y closing at 4.57% (-7.60 bps).

The **US dollar** slightly strengthened as investors weighed mixed remarks from Fed officials. Fed Governors Waller and Bowman highlighted that the strong GDP growth in 3Q23 may still require further tightening. The DXY closed at 105.54 (+0.31% DoD).

Global Stock Indices



	Level	DoD
S&P 500	4,378.38	+0.28%
DJIA	34,152.60	+0.17%
3-mo US Treasury yield	5.44%	+1.30 bps
2-yr US Treasury yield	4.92%	-1.70 bps
10-yr US Treasury yield	4.57%	-7.60 bps
DXY	105.54	+0.31%

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