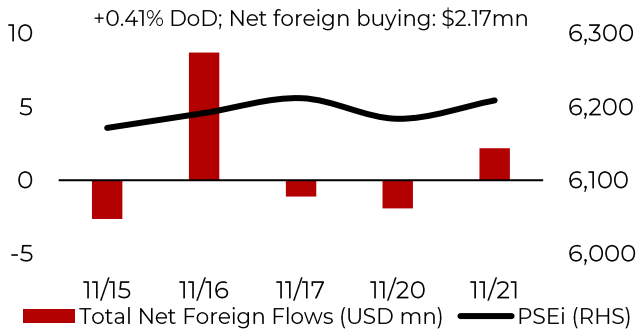


The Morning View

NOVEMBER 22, 2023

Philippine Stock Exchange Index



The Bangko Sentral ng Pilipinas (BSP) reported that the PH Balance of Payments (BOP) posted a surplus amounting to \$3.2 billion in the January to October period. This was a turnaround from the \$7.12 billion deficit in the same period last year. The BSP attributed the surplus to rising OFW remittances, narrowing trade deficit, and increasing foreign deposits.

Six bidders vie to supply the 1,800-megawatt (MW) requirement of Manila Electric Company (Ticker: MER), all of which will undergo a competitive selection process. Interested parties include energy units of San Miguel, First Gen, and an Aboitiz-Ayala led joint venture.

Local equities rebounded as investors' sentiment improved after the country's balance of payment surplus widened in October. The PSEi closed at 6,208.83 (+0.41% DoD).

Local fixed income yields declined as investors digested strong demand for the Bureau of the Treasury's reissued 20-year bonds. On average, yields fell by 9.43 bps, with the 2Y closing at 6.23% (-8.15 bps) and the 10Y closing at 6.4% (-5.25 bps).

The **Philippine peso** strengthened ahead of the release of the November FOMC minutes of the meeting and amid the wider BOP surplus in October. The USD/PHP pair closed at 55.39 (-0.29% DoD).

	Level	DoD
PSEi	6,208.83	+0.41%
3-mo bond yield	5.88%	-15.02 bps
2-yr bond yield	6.23%	-8.15 bps
10-yr bond yield	6.40%	-5.25 bps
USDPHP	55.39	-0.29%
Oil (Brent, \$ / barrel)	82.45	+0.16%

The November FOMC minutes of the meeting showed that the US Federal Reserve is taking a cautious approach for its next policy moves. Although the Fed decided to keep rates steady, it will proceed carefully and only tighten further should incoming data show that it is deviating from achieving its inflation objective.

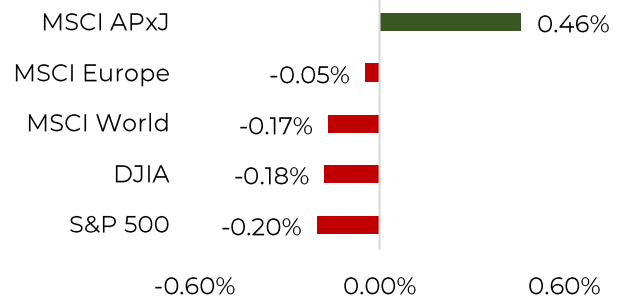
US existing home sales dropped by 4.1% in October, its lowest level since August 2010 (September: revised -2.2%) amid elevated house prices and tight supply. In October, the median house price climbed 3.4% YoY to \$391,800. Meanwhile, inventory of previously owned homes fell 5.7% YoY to 1.15 million.

US equities dipped amid profit-taking and as investors weighed the latest Fed meeting minutes. The S&P 500 closed at 4,538.19 (-0.20% DoD) and the DJIA closed at 35,088.29 (-0.18% DoD).

US Treasury yields declined as investors parsed through the FOMC's meeting minutes. On average, yields fell by 2.49 bps, with the 2Y closing at 4.88% (-3.80 bps) and the 10Y closing at 4.40% (-2.70 bps).

The **US dollar** slightly strengthened as the minutes of the latest FOMC meeting showed that further tightening may be needed if incoming economic data indicated that the progress towards the Fed's inflation objective is insufficient. The DXY closed at 103.57 (+0.12% DoD).

Global Stock Indices



	Level	DoD
S&P 500	4,538.19	-0.20%
DJIA	35,088.29	-0.18%
3-mo US Treasury yield	5.40%	-1.80 bps
2-yr US Treasury yield	4.88%	-3.80 bps
10-yr US Treasury yield	4.40%	-2.70 bps
DXY	103.57	+0.12%

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.