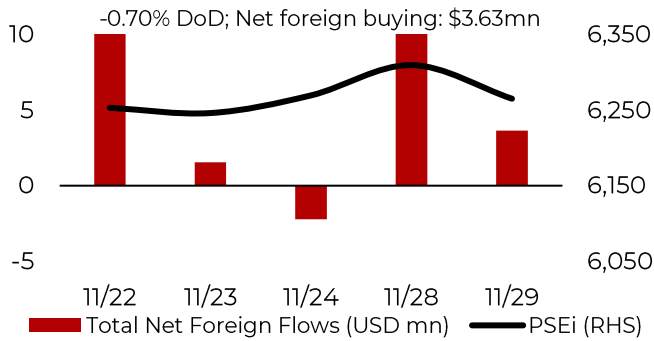


# The Morning View

NOVEMBER 30, 2023

## Philippine Stock Exchange Index



	Level	DoD
PSEi	6,265.14	-0.70%
3-mo bond yield	5.44%	-8.97 bps
2-yr bond yield	6.02%	-0.34 bps
10-yr bond yield	6.21%	-4.99 bps
USDPHP	55.39	-0.02%
Oil (Brent, \$ / barrel)	83.1	+1.74%

### The Philippine budget deficit fell by 65% year-on-year to Php34.4 billion in October as the growth in revenues outpaced spending.

The Bureau of Treasury reported that total revenues surged by 34% to Php385.8 billion, while expenditures only increased by 8% to Php420.2 billion in the same period.

### ACEN Corp. (Ticker: ACEN) signed a sustainability-linked loan term facility worth Php20 billion with the Asian Development Bank (ADB) and the Bank of the Philippines Islands (Ticker: BPI).

The proceeds from this new term loan facility are expected to be used for ACEN's expenditures for its renewable energy projects.

**Local equities** declined as investors participated in profit-taking before the month of November ends. The PSEi closed at 6,265.14 (-0.70% DoD).

**Local fixed income yields** declined ahead of the US PCE inflation report. This was also following the Bureau of the Treasury's reissued seven-year T-bonds auction. On average, yields fell by 7.07 bps, with the 2Y closing at 6.02% (-0.34 bps) and the 10Y closing at 6.21% (-4.99 bps).

The **Philippine peso** slightly strengthened as investors digested dovish comments from Fed Governor Waller who hinted at the possibility of rate cuts in the months ahead if inflation continues to ease. The USD/PHP pair closed at 55.39 (-0.02% DoD).

### US Gross Domestic Product (GDP) was revised upwards from initially 4.9% to 5.2% in the third quarter.

This was driven by the stronger-than-expected business investments in structures and equipment as well as the pick-up in government spending.

### Germany's inflation eased more than expected to 2.3% in November, driven by lower energy prices.

Energy prices declined 4.5% year-on-year due to base effects. Meanwhile, core inflation also fell to 3.8% in November from 4.3% in the previous month.

### US equities

were mixed as investors digested the upward US GDP growth revision as well as different comments from Fed officials. This was also ahead of the US PCE inflation print's release this week. The S&P 500 closed at 4,550.58 (-0.09% DoD) and the DJIA closed at 35,430.42 (+0.04% DoD).

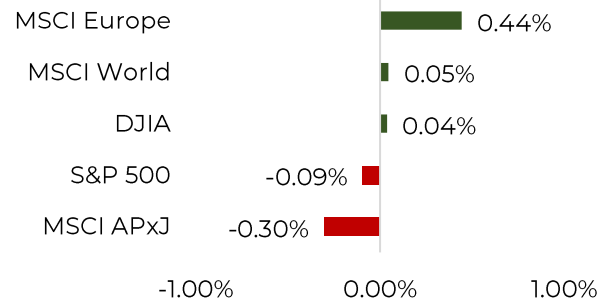
### US Treasury yields

declined despite the upward revision to the third quarter GDP growth as investors still widely expect that the Fed is finished with its rate-hiking campaign. On average, yields fell by 5.54 bps, with the 2Y closing at 4.65% (-8.80 bps) and the 10Y closing at 4.26% (-6.60 bps).

### The US dollar

mildly strengthened after US GDP growth for the third quarter was revised upwards. This was also ahead of the release of the PCE inflation report. The DXY closed at 102.77 (+0.02% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	4,550.58	-0.09%
DJIA	35,430.42	+0.04%
3-mo US Treasury yield	5.41%	-2.10 bps
2-yr US Treasury yield	4.65%	-8.80 bps
10-yr US Treasury yield	4.26%	-6.60 bps
DXY	102.77	+0.02%

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