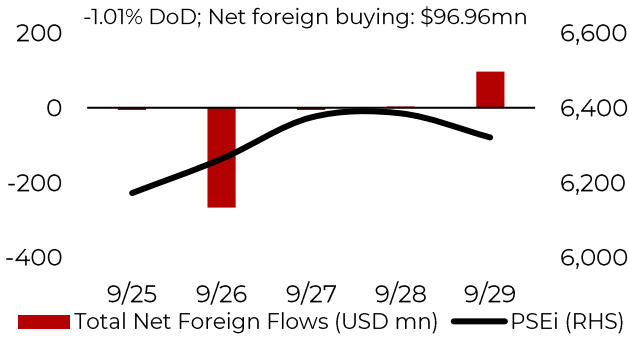


Philippine Stock Exchange Index



| | Level | DoD |
|--------------------------|----------|-----------|
| PSEi | 6,321.24 | -1.01% |
| 3-mo bond yield | 5.70% | +5.01 bps |
| 2-yr bond yield | 6.25% | +1.45 bps |
| 10-yr bond yield | 6.49% | -3.32 bps |
| USDPHP | 56.575 | -0.71% |
| Oil (Brent, \$ / barrel) | 95.31 | -0.07% |

The **Bangko Sentral ng Pilipinas (BSP)** expects September inflation to settle within 5.3% to 6.1% amid higher prices for fuel, electricity, and select agricultural commodities. The central bank also said that lower rice prices may offset the increases in these other commodity groups.

Jollibee Foods Corporation (Ticker: JFC) strengthened its presence in Singapore as it opened its first drive-thru location at Caltex Jurong Spring gas station. The firm celebrates its 10th anniversary in Singapore and now has 20 stores across the country.

Local equities fell on the last trading day of September after advancing for six consecutive days amid investors' profit taking. The PSEi closed at 6,321.24 (-1.01% DoD).

Local fixed income were mixed but rose on average amid the higher inflation expectations from the BSP. On average, yields rose by 1.11 bps, with the 2Y closing at 6.25% (+1.45 bps) and the 10Y closing at 6.49% (-3.32 bps).

The **Philippine peso** strengthened on hawkish signals from the BSP. BSP Governor Remolona commented that an off-cycle rate hike before the November meeting is possible. The USD/PHP pair closed at 56.575 (-0.71% DoD).

US Personal Consumption Expenditures (PCE) price index saw an uptick in August at 3.5% YoY (+0.4% MoM). The MoM increase was mainly driven by energy prices which accelerated 6.1%. Meanwhile, core PCE inflation which strips out food and energy prices, eased to 3.9% YoY (+0.1% MoM).

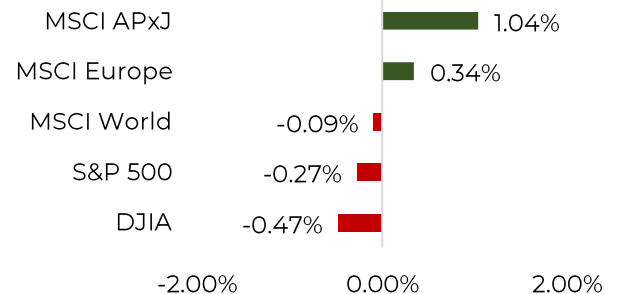
Euro zone headline and core inflation significantly cooled to 4.3% and 4.5% YoY in September (August: 5.2% and 5.3%), respectively. The weaker inflation readings suggest that the European Central Bank's rate hikes were taking effect but still above the 2% target.

US equities fell as investors focused on the updates about a potential government shutdown ahead of the September 30 deadline. Over the weekend, a shutdown was averted after a 45-day funding bill was passed and signed just hours before the deadline. The S&P 500 closed at 4,288.05 (-0.27% DoD) and the DJIA closed at 33,507.50 (-0.47% DoD).

US Treasury yields declined after core PCE, the Fed's preferred inflation gauge, eased in August. On average, yields dropped by 0.84 bps, with the 2Y closing at 5.05% (-1.20 bps) and the 10Y closing at 4.57% (-0.40 bps).

The **US dollar** slightly weakened as US treasury yields pulled back after the core PCE inflation slowed in August. The DXY closed at 106.17 (-0.05% DoD).

Global Stock Indices



| | Level | DoD |
|-------------------------|-----------|-----------|
| S&P 500 | 4,288.05 | -0.27% |
| DJIA | 33,507.50 | -0.47% |
| 3-mo US Treasury yield | 5.46% | -1.30 bps |
| 2-yr US Treasury yield | 5.05% | -1.20 bps |
| 10-yr US Treasury yield | 4.57% | -0.40 bps |
| DXY | 106.17 | -0.05% |

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