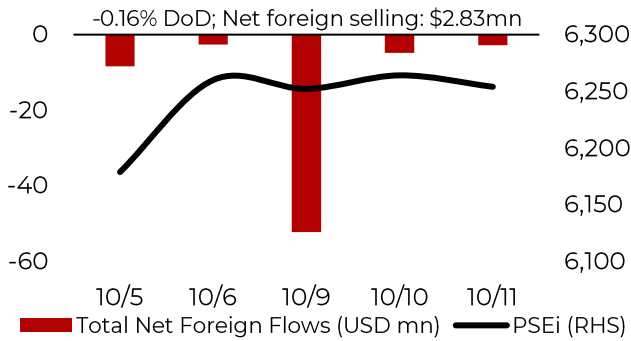


Philippine Stock Exchange Index



	Level	DoD
PSEi	6,253.96	-0.16%
3-mo bond yield	5.88%	+3.40 bps
2-yr bond yield	6.32%	-3.55 bps
10-yr bond yield	6.58%	+2.96 bps
USDPHP	56.755	-0.11%
Oil (Brent, \$ / barrel)	85.82	-2.09%

Bangko Sentral ng Pilipinas Governor Remolona said he is open to a 25-bp hike in November after the significant acceleration in the September inflation print. He also noted that he is unsure if inflation will fall within the 2-4% tolerance band within the year, citing upside risks that have materialized such as the transport hikes.

ACEN Corp. (Ticker: ACEN) has committed Php2 billion for its green projects in Northern Luzon. The funds were allocated to its Zambales (Php950 million), Palauig 2 (Php770 million), and Pangasinan (Php280 million) solar projects. This is in support of the firm's goal to become the largest listed renewables platform in Southeast Asia.

Local equities pulled back as investors' fears on further rate hikes were heightened after the BSP signaled a potential rate hike in November. The PSEi closed at 6,253.96 (-0.16% DoD).

Local fixed income yields were mixed as investors weighed dovish remarks from some Fed officials as well as the hawkish comments from BSP Governor Remolona. On average, yields rose by 0.11 bps, with the 2Y closing at 6.32% (-3.55 bps) and the 10Y closing at 6.58% (+2.96 bps).

The **Philippine peso** strengthened after BSP Governor Remolona hinted at a potential policy rate hike in November. The USD/PHP pair closed at 56.755 (-0.11% DoD).

The September FOMC minutes showed that US Federal Reserve officials turned cautious as pushing rates too high amid heightened economic uncertainty may pose risks to growth. Still, Fed officials unanimously agreed to keep a restrictive policy until inflation is seen to sustainably come down to the 2% target.

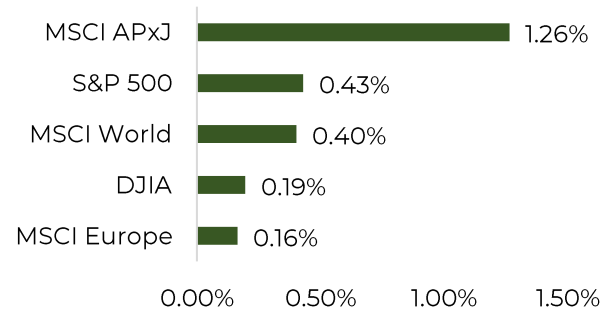
US Producer Price Index (PPI) rose more than expected in September by 0.5% MoM (August: 0.7%), driven by higher gasoline and food prices. Final demand for goods and services advanced 0.9% MoM and 0.3% MoM, respectively. Meanwhile, core PPI marginally cooled by 0.2% MoM in September (August: 0.3%).

US equities marginally rose as investors waited for the September consumer inflation data to be released later this week. The S&P 500 closed at 4,376.95 (+0.43% DoD) and the DJIA closed at 33,804.87 (+0.19% DoD).

US Treasury yields were mixed as investors digested the September PPI print and the latest FOMC meeting minutes. The minutes stated that the Fed will proceed carefully on its next policy rate move amid economic uncertainties. On average, yields fell by 5.32 bps, with the 2Y closing at 4.99% (+1.40 bps) and the 10Y closing at 4.56% (-9.50 bps).

The **US dollar** closed flat as investors waited for the September CPI inflation print due this week. The DXY closed at 105.82 (-0.00% DoD).

Global Stock Indices



	Level	DoD
S&P 500	4,376.95	+0.43%
DJIA	33,804.87	+0.19%
3-mo US Treasury yield	5.51%	0.00 bps
2-yr US Treasury yield	4.99%	+1.40 bps
10-yr US Treasury yield	4.56%	-9.50 bps
DXY	105.82	-0.00%

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