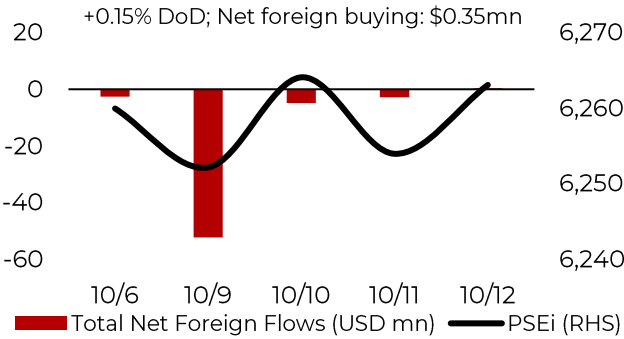


The Morning View

OCTOBER 13, 2023

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,263.06	+0.15%
3-mo bond yield	5.87%	-0.53 bps
2-yr bond yield	6.32%	+0.22 bps
10-yr bond yield	6.55%	-3.07 bps
USDPHP	56.66	-0.17%
Oil (Brent, \$ / barrel)	86	+0.21%

Department of Finance Secretary Benjamin Diokno said the Philippine economy will be less affected by the economic slowdown in China, citing demand from the domestic market. However, the slowing down of the Chinese economy may pressure Philippine exports.

PLDT, Inc.'s (Ticker: TEL) information and communication technology subsidiary, ePLDT, launched Philippines' first sovereign cloud infrastructure. This infrastructure is expected to hold and secure highly sensitive government data and applications.

Local equities edged higher as investors positioned ahead of the release of the US inflation print which is expected to moderate. The PSEi closed at 6,263.06 (+0.15% DoD).

Local fixed income yields slightly fell as investors positioned ahead of the US CPI data release. On average, yields fell by 0.71 bps, with the 2Y closing at 6.32% (+0.22 bps) and the 10Y closing at 6.55% (-3.07 bps).

The **Philippine peso** strengthened on dovish signals from the US Fed's minutes of the meeting for September. The USD/PHP pair closed at 56.66 (-0.17% DoD).

US Consumer Price Index remained sticky and rose 3.7% YoY in September (August: 3.7%), while core CPI climbed 4.1% YoY (August: 4.3%), driven by elevated shelter costs. The index for shelter, which accounts for one-third of the CPI weighting, accelerated by 7.2% YoY.

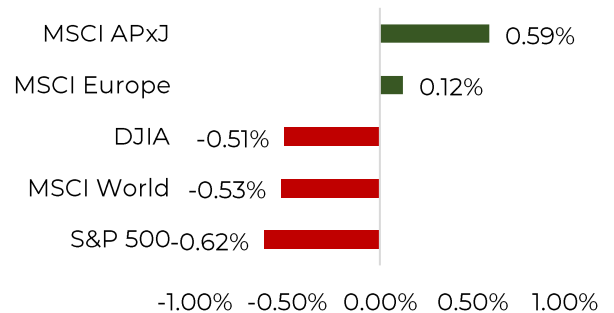
US mortgage rates climbed, tracking the recent surge in Treasury yields, amid increased market and geopolitical uncertainty. In the week ending October 12, the 30-year mortgage rate averaged 7.57%, higher than the 7.49% in the week prior.

US equities fell as investors digested the higher-than-expected US CPI print for September. The surge in US Treasury yields also weighed on stocks. The S&P 500 closed at 4,349.61 (-0.62% DoD) and the DJIA closed at 33,631.14 (-0.51% DoD).

US Treasury yields jumped as investors digested the above-consensus September US CPI print. This was also after the 30-year Treasury bond auction that saw weak demand. On average, yields rose by 9.53 bps, with the 2Y closing at 5.07% (+8.70 bps) and the 10Y closing at 4.70% (+14.10 bps).

The **US dollar** strengthened following the release of the higher-than-expected US CPI print for September. This reinforced views that the Fed will keep the policy rate high for longer. The DXY closed at 106.60 (+0.74% DoD).

Global Stock Indices



	Level	DoD
S&P 500	4,349.61	-0.62%
DJIA	33,631.14	-0.51%
3-mo US Treasury yield	5.52%	+1.20 bps
2-yr US Treasury yield	5.07%	+8.70 bps
10-yr US Treasury yield	4.70%	+14.10 bps
DXY	106.60	+0.74%

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