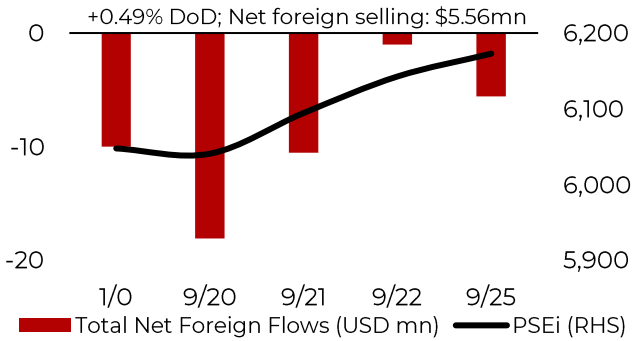


# The Morning View

SEPTEMBER 26, 2023

## Philippine Stock Exchange Index



	Level	DoD
PSEi	6,172.84	+0.49%
3-mo bond yield	5.62%	+0.62 bps
2-yr bond yield	6.18%	+0.23 bps
10-yr bond yield	6.48%	+0.10 bps
USDPHP	56.785	-0.02%
Oil (Brent, \$ / barrel)	93.29	+0.02%

**S&P Global Ratings** cut its Philippine gross domestic product growth forecast from previously 5.9% to 5.2% for 2023. Despite the downward revision, the credit rating agency said its outlook for the country remains positive. It also trimmed its forecasts for other economies as well.

**Globe Telecom, Inc. (Ticker: GLO) tapped Metropolitan Bank & Trust Company's (Ticker: MBT) term loan facilities to secure an additional Php15 billion** for its capital expenditures. About 90% of this loan was allocated to improve the company's network infrastructure and service consumers' escalating demand for data.

**Local equities** gained on bargain hunting and as investors positioned amid the latest rebalancing. The PSEi closed at 6,172.48 (+0.49% DoD).

**Local fixed income yields** rose slightly ahead of the Bureau of the Treasury's (BTr) retail dollar bond issuance. The BTr set the minimum issue size to \$200 million. On average, yields rose by 0.33 bps, with the 2Y closing at 6.18% (+0.23 bps) and the 10Y closing at 6.48% (+0.10 bps).

The **Philippine peso** slightly strengthened on the back of hawkish signals from BSP Governor Remolona who hinted the possibility of future rate hikes. The USD/PHP pair closed at 56.785 (-0.02% DoD).

**Moody's Investors Service warned that the credit rating of the US could come under pressure if the US government shuts down.** The agency highlighted that a shutdown would underscore the government's weakness in fiscal policymaking. Currently, Moody's is the only one of the three major credit rating agencies to have an Aaa rating on the US.

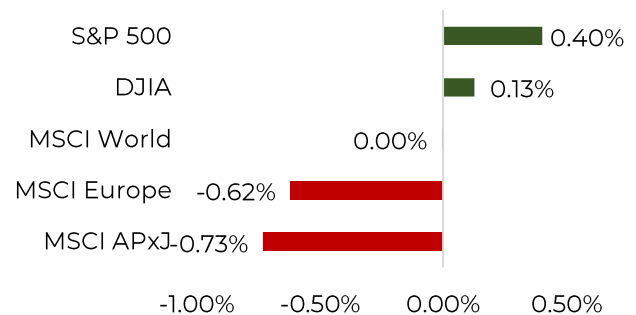
**German business climate index declined to 85.7 in September (August: 85.8).** According to the Ifo Institute, this reflects weaker business sentiment as companies are less satisfied with their current situation amid the bleak economic outlook on Germany.

**US equities** climbed as investors awaited cues on the path of interest rates from economic data releases and remarks from US Fed officials later this week. The S&P 500 closed at 4,337.44 (+0.40% DoD) and the DJIA closed at 34,006.88 (+0.13% DoD).

**US Treasury yields** jumped as investors considered what could be ahead for the interest rates after the Fed's hawkish expectations. This was also ahead of the release of housing sector reports and August PCE data this week. On average, yields rose by 5.70 bps, with the 2Y closing at 5.13% (+1.30 bps) and the 10Y closing at 4.54% (+10.10 bps).

The **US dollar** strengthened as the 10-year treasury yield climbed to a record-high. The DXY closed at 106.00 (+0.39% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	4,337.44	+0.40%
DJIA	34,006.88	+0.13%
3-mo US Treasury yield	5.48%	-1.60 bps
2-yr US Treasury yield	5.13%	+1.30 bps
10-yr US Treasury yield	4.54%	+10.10 bps
DXY	106.00	+0.39%

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