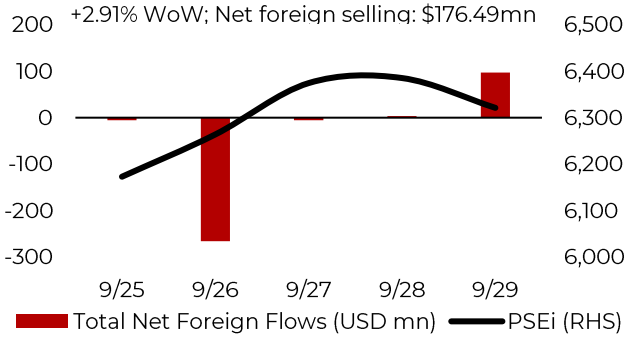


# The Weekly Review

OCTOBER 2, 2023

## Philippine Stock Exchange Index



	Level	WoW
PSEi	6,321.24	+2.91%
3-mo bond yield	5.70%	+9.47 bps
2-yr bond yield	6.25%	+6.87 bps
10-yr bond yield	6.49%	+1.52 bps
USDPHP	56.575	-0.39%
Oil (Brent, \$ / barrel)	95.31	+2.19%

**Local equities** rose amid bargain hunting and following the PSEi's off-cycle rebalancing. The Securities and Exchange Commission's (SEC) support on the proposed lowering of stock transaction tax also improved market sentiment.

▲ The PSEi closed at 6,321.24 (+2.91% WoW)

**Local fixed income yields** climbed on fresh supply as the government raised \$611.2 million from its retail dollar bond issuance. Investors also positioned ahead of the September inflation data release. Market consensus currently expects inflation to remain elevated following the 5.3% print in August.

▲ On average, yields rose by 6.90 bps, with the 2Y closing at 6.25% (+6.87 bps) and the 10Y closing at 6.49% (+1.52 bps).

The **Philippine Peso strengthened** on the back of the Bangko Sentral ng Pilipinas (BSP) Governor Remolona's hawkish signals, hinting the possibility of potential rate hikes ahead after the pause in September.

▼ USD/PHP pair closed at 56.575 (-0.39% WoW)

**US equities** fell as concerns over the US economy resurfaced amid mixed economic data releases, hawkish remarks from Fed officials, and rising oil prices. Investors also focused on developments over a potential US government shutdown, which was narrowly averted through the passage of a 45-day funding bill over the weekend.

▼ S&P 500 closed at 4,288.05 (-0.74% WoW).

▼ DJIA closed at 33,507.50 (-1.34% WoW).

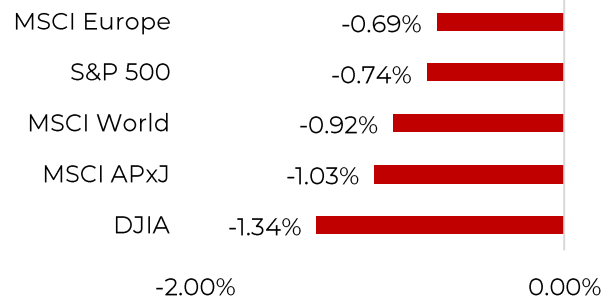
**US Treasury yields were mixed but overall increased** as investors digested mixed economic data releases including the stronger-than-expected August durable goods orders and the lower-than-expected August new home sales and consumer sentiment data. The 10-year US Treasury yield also reached new record highs within the week, bolstered by the Fed's hawkish remarks that rates would stay high for longer.

▲ On average, US treasury yields rose by 6.91 bps WoW with the 10Y closing at 4.57% (+13.70 bps).

The **US Dollar** strengthened as the 10-year US treasury yield climbed to record highs amid hawkish comments from the US Fed. The dollar rallied further after the release of the stronger-than-expected durable goods orders report in August.

▲ The DXY closed at 106.17 (+0.56% WoW).

## Global Stock Indices



	Level	WoW
S&P 500	4288.05	-0.74%
DJIA	33507.50	-1.34%
3-mo US Treasury yield	5.46%	-4.40 bps
2-yr US Treasury yield	5.05%	-6.60 bps
10-yr US Treasury yield	4.57%	+13.70 bps
DXY	106.17	0.56%

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