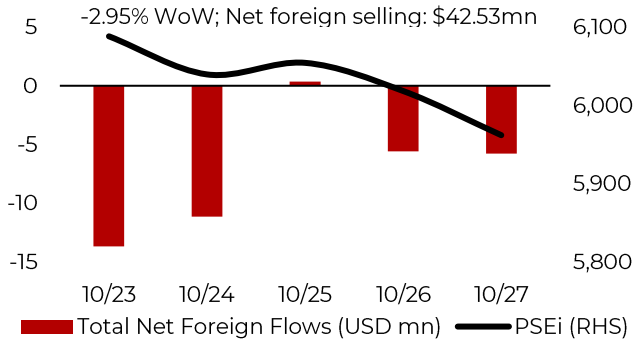


# The Weekly Review

OCTOBER 31, 2023

## Philippine Stock Exchange Index



	Level	WoW
PSEi	5,961.99	-2.95%
3-mo bond yield	6.11%	+9.63 bps
2-yr bond yield	6.50%	+11.11 bps
10-yr bond yield	6.94%	+32.35 bps
USDPHP	56.955	+0.20%
Oil (Brent, \$ / barrel)	90.48	-1.82%

**Local equities** declined amid the off-cycle rate hike announced by the Bangko Sentral ng Pilipnas (BSP) last week. Geopolitical risks in the Middle East, and concerns on rising tensions in the West Philippine Sea also dragged market sentiment.

Top performers were ACEN Corp (ACEN; 3.35%), GT Capital Holdings Inc (GTCAP; 1.28%), and PLDT, Inc (TEL; 0.82%). Meanwhile, Converge Information and Communications Technology Solutions, Inc. (CNVRG; -9.41%), Wilcon Depot Inc (WLCON; -9.79%), and Alliance Global Group, Inc. (AGI; -12.28%) were the laggards of the week.

▼ The PSEi closed at 5,961.99 (-2.95% WoW).

**Local fixed income yields rose** on fresh supply following auctions held by the Bureau of the Treasury early in the week. Investors also reacted to the BSP's announcement of a policy rate hike of 25 basis points to 6.5% ahead of its scheduled meeting in November.

▲ On average, yields rose by 15 bps, with the 2Y closing at 6.50% (+11 bps) and the 10Y closing at 6.94% (+32 bps).

**The Philippine peso** weakened after the government reported a wider budget deficit in September. Furthermore, the rebound of the US dollar ahead of the third quarter US GDP growth report also weighed on the peso.

▲ USD/PHP pair closed at 56.955 (+0.20% WoW)

**US equities** declined as investors digested a mixed batch of earnings results and guidance from major companies. Investors also weighed economic data releases including the 3Q23 US GDP print and the Personal Consumption Expenditures (PCE) inflation reading for September. These could prompt the US Federal Reserve to keep rates at a restrictive level.

▼ S&P 500 closed at 4,117.37 (-2.53% WoW)

▼ DJIA closed at 32,417.59 (-2.14% WoW)

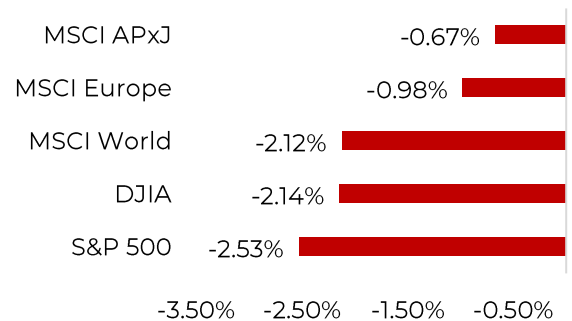
**US Treasury yields** pulled back after hitting multi-year highs amid expectations that the US Fed will hold policy rates unchanged after dovish comments from several Fed officials. Moreover, the core PCE inflation, the Fed's preferred inflation measure, eased and came in within market expectations in September, which also supported this view.

▼ On average, US treasury yields fell by 3 bps WoW with the 10Y closing at 4.83% (-1 bps)

The **US Dollar** strengthened after the US economy grew at a faster pace in the third quarter and investors digested the upbeat US manufacturing PMI data, which pulled out of a five-month contraction in October.

▲ The DXY closed at 106.56 (+0.37% WoW).

## Global Stock Indices



	Level	WoW
S&P 500	4,117.37	-2.53%
DJIA	32,417.59	-2.14%
3-mo US Treasury yield	5.45%	-7.50 bps
2-yr US Treasury yield	5.12%	-9.40 bps
10-yr US Treasury yield	4.83%	-1.10 bps
DXY	106.56	+0.37%

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