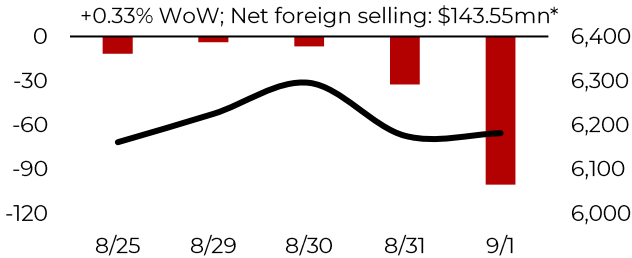


The Weekly Review

SEPTEMBER 4, 2023

Philippine Stock Exchange Index



■ Total Net Foreign Flows (USD mn) — PSEi (RHS)

*estimated

	Level	WoW
PSEi	6,181.06	0.33%
3-mo bond yield	5.71%	-4.41 bps
2-yr bond yield	6.19%	-5.48 bps
10-yr bond yield	6.39%	-12.89 bps
USDPHP	56.595	0.04%
Oil (Brent, \$ / barrel)	88.55	4.82%

The **Bureau of the Treasury (BTr)** has issued the implementing rules and regulations (IRR) of the Maharlika Investment Fund. This will take effect on September 12. The Department of Finance secretary explained that the IRR lays out the investment outlets of the Fund, the board of directors, etc.

Local equities marginally rose as gains from bargain hunting and softer US economic data were tempered by the MSCI rebalancing. The PSEi closed at 6,181.06 (+0.33% WoW).

Top performers were GT Capital Holdings Inc (PSE Ticker: GTCAP; +5.05%), Monde Nissin Corp (MONDE; +4.70%), and DMCI Holdings Inc (DMC; +4.22%). Meanwhile, Union Bank of the Philippines (PSE Ticker: UBP; -3.67%), LT Group Inc (LTG; -3.84%), and Converge Information and Communications Technology Solutions Inc (CNVRG; -7.30%) were the laggards of the week.

Local fixed income yields fell on softer-than-expected US jobs data as well as looming growth concerns with the downgraded forecast of the Philippine gross domestic product by GlobalSource Partners. On average, yields fell by 5.48 bps, with the 2Y closing at 6.19% (-5.48 bps) and the 10Y closing at 6.39% (-12.89 bps).

The **Philippine peso** weakened as investors digested the hawkish remarks of Chair Powell during the Jackson Hole symposium. The USD/PHP pair closed at 56.60 (+0.04% WoW).

US PCE inflation remained high, rising 3.3% YoY in July (+0.2% MoM), and core gaining 4.2% YoY (+0.2% MoM) as consumer spending recorded strongest monthly gain of 0.8% MoM since January, driven by increased spending on both goods and services.

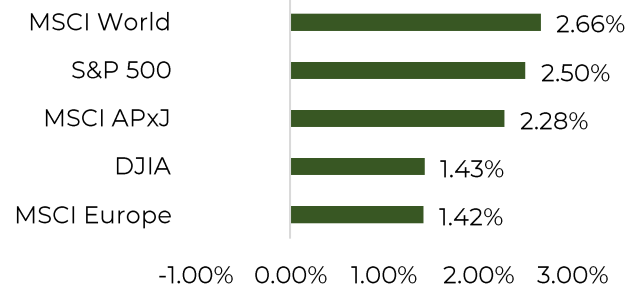
The US second quarter GDP was trimmed down to 2.1% QoQ from 2.4% as inventory and nonresidential fixed investments were revised lower. Meanwhile, the ADP jobs report showed 177,000 additions in August, both signaling that the economy is starting to ease.

US equities rose as investors digested a batch of key economic data releases which could ease pressures on the US Fed to hike rates further at its next meeting. The S&P 500 closed at 4,515.77 (+2.50% WoW) and the DJIA closed at 34,837.71 (+1.43% WoW).

US treasury yields dropped as investors digested weaker-than-expected consumer confidence data and declining jobs opening data, which reinforces soft landing bets for the economy. On average, yields fell by 7.32 bps WoW with the 10Y closing at 4.18% (-5.80 bps).

The **US Dollar** strengthened as investors weighed the hawkish remarks from Chair Powell during the Jackson Hole symposium and the increase in core PCE data. The DXY closed at 104.24 (+0.15% WoW).

Global Stock Indices



	Level	WoW
S&P 500	4,515.77	+2.50%
DJIA	34,837.71	+1.43%
3-mo US Treasury yield	5.44%	-6.90 bps
2-yr US Treasury yield	4.88%	-19.90 bps
10-yr US Treasury yield	4.18%	-5.80 bps
DXY	104.24	+0.15%

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