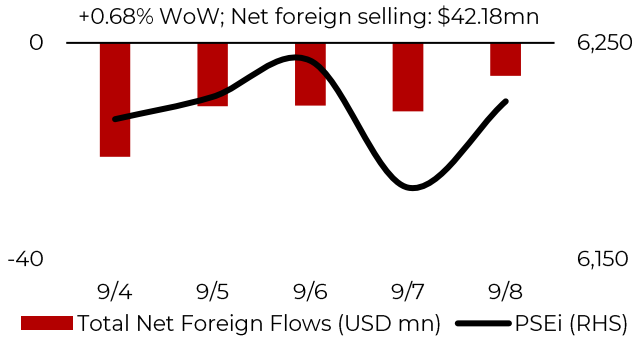


# The Weekly Review

SEPTEMBER 11, 2023

## Philippine Stock Exchange Index



	Level	WoW
PSEi	6,222.94	+0.68%
3-mo bond yield	5.66%	-5.28 bps
2-yr bond yield	6.23%	+4.11 bps
10-yr bond yield	6.49%	+10.00 bps
USDPHP	56.63	+0.06%
Oil (Brent, \$ / barrel)	90.65	+2.37%

The **Philippine Statistics Authority** reported that inflation accelerated to 5.3% (versus Bloomberg consensus of 4.7%), bucking the trend of 6 months of deceleration. The reversal of the trend can be attributed to a spike in food and oil prices. The August print brought year-to-date inflation to 6.6%.

**Local equities** rose on bargain hunting. Investors also weighed recent local economic data releases, including the inflation, unemployment, and trade data. The PSEi closed at 6,222.94 (+0.68% WoW).

Top performers were Monde Nissin Corp (PSE Ticker: MONDE; 14.33%), JG Summit Holdings Inc (JGS; 7.42%), and Puregold Price Club Inc (PGOLD; 7.39%). Meanwhile, Jollibee Foods Corp (PSE Ticker: JFC; -2.92%), Aboitiz Power Corp (AP; -2.96%), and BDO Unibank Inc (BDO; -6.35%) were the laggards of the week.

**Local fixed income yields** rose on the higher-than-expected August inflation and subsequent upward revisions of inflation forecasts. On average, yields rose by 3.51 bps, with the 2Y closing at 6.23% (+4.11 bps) and the 10Y closing at 6.49% (+10 bps).

The **Philippine peso** was flat as investors weighed higher inflation against stronger manufacturing data and a narrower trade deficit. The USD/PHP pair closed at 56.63 (+0.06% WoW).

**The US unemployment rate jumped to 3.8% in August (July: 3.5%)** as average hourly earnings moderated to a 0.2% MoM gain (July: 0.4%) and nonfarm payrolls increased by 187,000, signaling some slowing in the labor market.

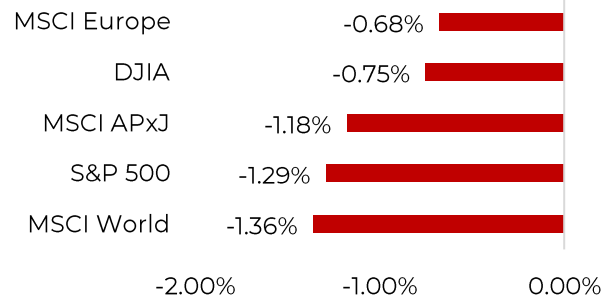
**US initial jobless claims dropped to 216,000 in the week of September 2**, lowest since week of February 11. Meanwhile, nonfarm productivity rebounded by 3.5% QoQ in the second quarter (1Q: -1.2%), and unit labor costs rose by 2.2% QoQ (1Q: 3.3%).

**US equities** fell as investors weighed the Fed's interest rate outlook amid rising oil prices and resilient labor market data. Investors also took cues from comments of some Fed officials ahead of their meeting later this month. The S&P 500 closed at 4,457.49 (-1.29% WoW) and the DJIA closed at 34,576.59 (-0.75% WoW).

**US treasury yields** rose as the stronger-than-expected jobs data and the rising oil prices fuel inflationary fears, raising bets that interest rates might stay higher for longer. On average, yields gained 6.48 bps WoW with the 10Y closing at 4.27% (+8.90 bps).

The **US Dollar** strengthened to a six-month high as investors digested resilient US labor data and was further bolstered by safe-haven demand amid growing worries on China and Europe-led global growth slowdown. The DXY closed at 105.09 (+0.82% WoW).

## Global Stock Indices



	Level	WoW
S&P 500	4,457.49	-1.29%
DJIA	34,576.59	-0.75%
3-mo US Treasury yield	5.47%	+3.70 bps
2-yr US Treasury yield	5.00%	+11.20 bps
10-yr US Treasury yield	4.27%	+8.90 bps
DXY	105.09	+0.82%

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