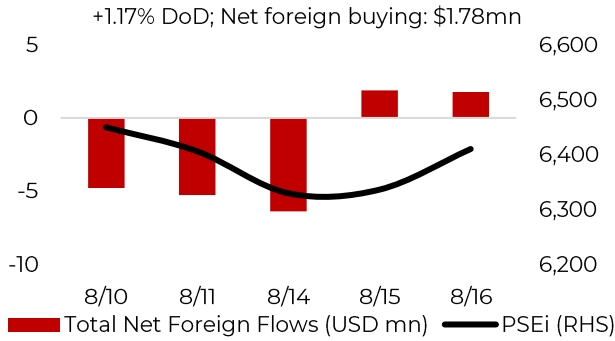


The Morning View

AUGUST 17, 2023

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,410.09	+1.17%
3-mo bond yield	5.76%	+0.48 bps
2-yr bond yield	6.28%	-1.16 bps
10-yr bond yield	6.56%	-3.49 bps
USDPHP	56.515	-0.57%
Oil (Brent, \$ / barrel)	83.29	-1.88%

Bangko Sentral ng Pilipinas (BSP) Deputy Governor Francisco G. Dakila, Jr. shared that the inflation forecast might be adjusted upwards amid the previous weeks' rise in oil and rice prices. Mr. Dakila, Jr. will present a revised inflation outlook at the monetary board meeting on August 17.

Globe Telecom, Inc. (Ticker: GLO) signed deals to sell 213 telecommunication towers to Frontier Tower Associates Philippines, Inc. and MIESCOR Infrastructure Development Corp. for around Php2.6 billion.

Local equities rose on bargain hunting as investor sentiment was lifted by the June cash remittances data which rose to a 6-month high. The PSEi closed at 6,410.09 (+1.17% DoD).

Local fixed income yields fell as investors awaited the BSP's monetary policy decision after its meeting this week. On average, yields fell by 1.66 bps, with the 2Y closing at 6.28% (-1.16 bps) and the 10Y closing at 6.56% (-3.49 bps).

The **Philippine peso** strengthened after global oil prices eased in most recent trading days and investors weighed strong June OFW remittances data. The USD/PHP pair closed at 56.52 (-0.57% DoD).

Fed officials remained resolute to bring inflation down to the 2% target amid significant upside risks, according to the meeting minutes released. Still, some cautionary members raised potential damaging effects if rates are raised higher than necessary.

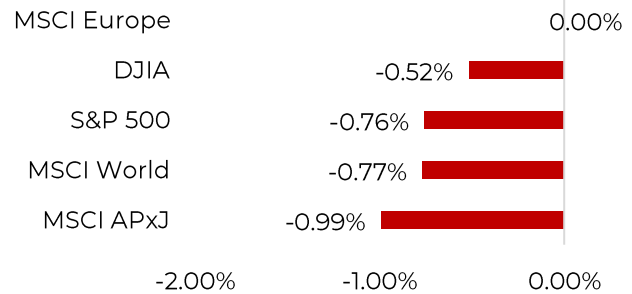
UK headline CPI cooled to 6.8% YoY in July (June: 7.9%), dragged by falling gas and electricity prices. Core inflation stayed at 6.9% as the cost of services continued to accelerate, reinforcing bets that the Bank of England will press on its tightening campaign.

US equities declined as investors worried over China's economy and the Fed's next policy move following the release of the July FOMC minutes. The S&P 500 closed at 4,404.33 (-0.76% DoD) and the DJIA closed at 34,765.74 (-0.52% DoD).

US Treasury yields rose as investors digested the minutes from the Fed's latest meeting, suggesting further rate hikes may be needed with inflation still well above the Fed's target. On average, yields gained 2.32 bps, with the 2Y closing at 4.97% (+1.00 bps) and the 10Y closing at 4.25% (+3.50 bps).

The **US dollar** strengthened as investors focused on the release of the US Fed's minutes of the meeting. The DXY closed at 103.43 (+0.21% DoD).

Global Stock Indices



	Level	DoD
S&P 500	4,404.33	-0.76%
DJIA	34,765.74	-0.52%
3-mo US Treasury yield	5.46%	-0.40 bps
2-yr US Treasury yield	4.97%	+1.00 bps
10-yr US Treasury yield	4.25%	+3.50 bps
DXY	103.43	+0.21%

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