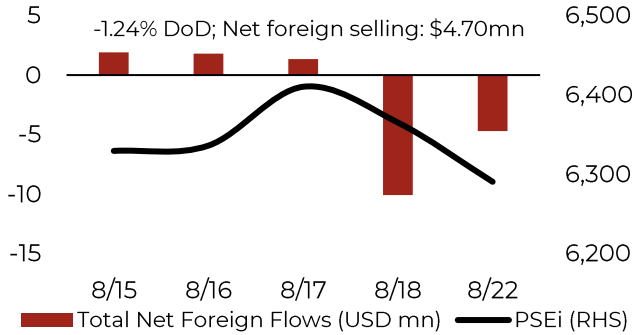


# The Morning View

AUGUST 23, 2023

## Philippine Stock Exchange Index



	Level	DoD
PSEi	6,212.39	-1.24%
3-mo bond yield	5.73%	-3.05 bps
2-yr bond yield	6.27%	+0.02 bps
10-yr bond yield	6.56%	+0.91 bps
USDPHP	56.38	+0.36%
Oil (Brent, \$ / barrel)	84.03	-0.51%

The **Bangko Sentral ng Pilipinas (BSP)** maintained the 3% interest rate on credit card transactions. The BSP said this rate ensures access to consumers at steady rates and ensures long-term viability of banks. The monthly add-on rate for installment loans and maximum processing fee were maintained at 1% and P200 respectively.

**Jollibee Foods Corporation (Ticker: JFC)** said it is bullish that it would surpass its store opening, sales, and income targets this year. As of the first half, the company's store network rose by 5.1%, slightly higher than the target of at least a 5% increase for 2023.

**Local equities** declined further as the rise in 10-year US Treasury yields and the 10-basis-point cut in China's key lending rates dampened investor sentiment. The PSEi closed at 6,212.39 (-1.24% DoD).

**Local fixed income yields** were mixed but fell on average ahead of the Jackson Hole Symposium. On average, yields fell by 0.99 bps, with the 2Y closing at 6.27% (+0.02 bps) and the 10Y closing at 6.56% (+0.91 bps).

The **Philippine peso** weakened amid expectations of hawkish signals from US Fed Chair Jerome Powell at the upcoming Jackson Hole symposium. The USD/PHP pair closed at 56.38 (+0.36% DoD).

**US existing home sales dropped 2.2% MoM in July (June: -3.3%)** as homeowners refrained from selling their properties amid record-high mortgage levels, while limited inventory put upward pressure on home prices.

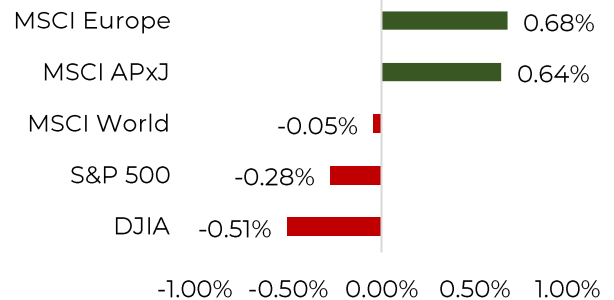
**Japan's core CPI rises 3.1% YoY in July (June: 3.3%).** Excluding fresh food and energy prices, the CPI rose 4.3% YoY, attributable to the jump in services prices, backed by strong demand and a tight labor market.

**US equities** fell as S&P's credit rating downgrade of several banks dragged bank stocks. Investors also awaited Fed Chair Powell's speech at the Jackson Hole Symposium for hints on what's next on policy rates. The S&P 500 closed at 4,387.55 (-0.28% DoD) and the DJIA closed at 34,288.83 (-0.51% DoD).

**US Treasury yields** were mixed as investors weighed the outlook for interest rates while awaiting remarks from the Fed, ahead of the Jackson Hole symposium this week. On average, yields gained 0.13 bps, with the 2Y closing at 5.05% (+4.50 bps) and the 10Y closing at 4.33% (-1.40 bps).

The **US dollar** strengthened ahead of the Jackson Hole symposium. The DXY closed at 103.56 (+0.25% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	4,387.55	-0.28%
DJIA	34,288.83	-0.51%
3-mo US Treasury yield	5.45%	+0.90 bps
2-yr US Treasury yield	5.05%	+4.50 bps
10-yr US Treasury yield	4.33%	-1.40 bps
DXY	103.56	+0.25%

This material, which is strictly for information purposes only, is for your sole use, does not constitute a recommendation or an offer to sell or a solicitation to buy any financial product. Any information is subject to change without notice and BPI Wealth is not under any obligation to update or keep current the information contained herein. You are advised to make your own independent judgment with respect to the matter contained in this document. No liability whatsoever is accepted for any loss that may arise (whether direct or consequential) from any use of the information contained herein.

All funds managed by BPI Wealth are Trust and/or Investment Management Funds, which do not carry any guarantee of income or principal, and are NOT covered by the Philippine Deposit Insurance Corporation. Past performance is not a guarantee of future results. BPI Wealth Investment Funds are valued daily using the marked-to-market method.