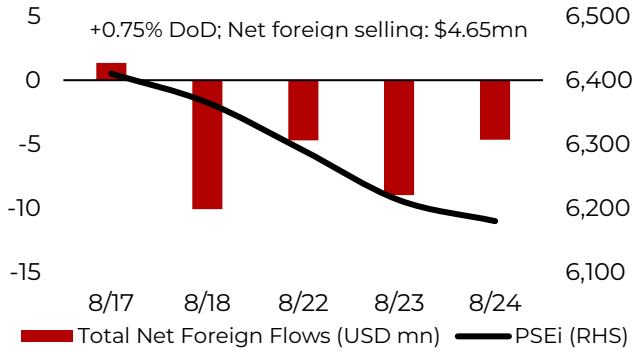


The Morning View

AUGUST 25, 2023

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,225.78	+0.75%
3-mo bond yield	5.72%	-0.59 bps
2-yr bond yield	6.26%	-0.47 bps
10-yr bond yield	6.54%	-2.50 bps
USDPHP	56.76	+0.05%
Oil (Brent, \$ / barrel)	83.36	+0.18%

Data from the **Bangko Sentral ng Pilipinas (BSP)** showed that outstanding loans grew by 7.8% in June, amounting to Php10.99 trillion. This was slower than the growth of 9.4% recorded in May and 12.1% in June 2022.

GCash, the fintech arm of **Globe Telecom, Inc. (Ticker: GLO)**, has waived the 1.5% QR transaction fee for small-scale businesses until the end of the year. Aside from this, the company raised the wallet limit to up to Php500,000 a month.

Local equities rose on bargain hunting. Investors also awaited cues from US Fed Chair Powell's statements at the Jackson Hole Symposium. The PSEi closed at 6,225.78 (+0.75% DoD).

Local fixed income yields were mixed but rose on average as investors waited for guidance from the US Fed's Jackson Hole symposium. Hawkish statements from the BSP also pushed yields higher. On average, yields rose by 0.09 bps, with the 2Y closing at 6.26% (-0.47 bps) and the 10Y closing at 6.54% (-2.50 bps).

The **Philippine peso** was relatively flat as investors waited for further guidance from the Jackson Hole symposium. The USD/PHP pair closed at 56.76 (+0.05% DoD).

US durable goods orders fell by 5.2% MoM in July (June: 4.4%), driven by a significant drop in demand for transport equipment, specifically for aircraft. Excluding transportation, new orders increased by 0.5% MoM.

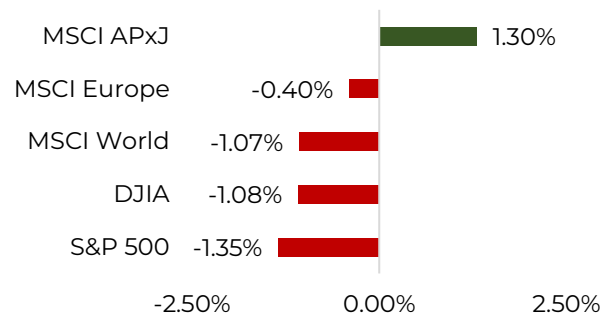
Canadian retail sales grew by 0.1% MoM in June on the back of strong new car sales. Excluding sales of cars and car parts, retail sales declined by 0.8%, signaling weak consumer spending.

US equities fell on a sell-off of major tech stocks. Investors also shifted their focus to Fed Chair Powell's upcoming speech at the Jackson Hole Symposium. The S&P 500 closed at 4,376.31 (-1.35% DoD) and the DJIA closed at 34,099.42 (-1.08% DoD).

US Treasury yields rose as investors awaited insights on the likely path of interest rates from central bankers at the Jackson Hole symposium. On average, yields gained 3.42 bps, with the 2Y closing at 5.03% (+5.00 bps) and the 10Y closing at 4.24% (+4.10 bps).

The **US dollar** strengthened amid cautious sentiment ahead of the Jackson Hole symposium and as the markets seek clues on what could be the trajectory for the interest rates. The DXY closed at 103.98 (+0.54% DoD).

Global Stock Indices



	Level	DoD
S&P 500	4,376.31	-1.35%
DJIA	34,099.42	-1.08%
3-mo US Treasury yield	5.47%	+0.20 bps
2-yr US Treasury yield	5.03%	+5.00 bps
10-yr US Treasury yield	4.24%	+4.10 bps
DXY	103.98	+0.54%