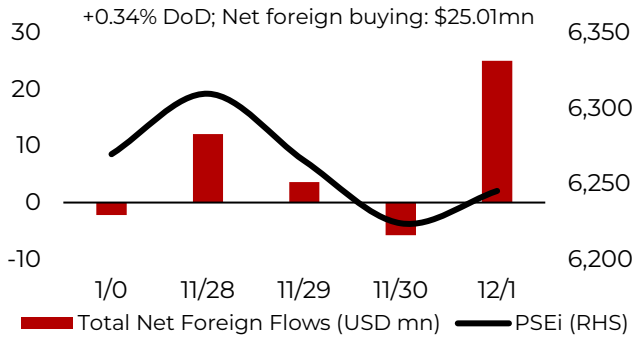


Philippine Stock Exchange Index



| | Level | DoD |
|--------------------------|----------|-----------|
| PSEi | 6,245.18 | +0.34% |
| 3-mo bond yield | 5.36% | -5.30 bps |
| 2-yr bond yield | 5.99% | +2.66 bps |
| 10-yr bond yield | 6.23% | -0.57 bps |
| USDPHP | 55.40 | -0.15% |
| Oil (Brent, \$ / barrel) | 78.88 | -4.77% |

The Bangko Sentral ng Pilipinas (BSP) forecasts November inflation to be within the range of 4% to 4.8%. BSP said headline inflation may be at the higher end of this range due to higher costs of some agricultural products. Meanwhile, lower petroleum and vegetable prices could ease some of the pressures.

Megaworld Corp. (Ticker: MEG) partners with Suntrust Properties, Inc. to develop a new township project in Puerto Princesa, Palawan. The project will be allocated Php7.0 billion and is expected to rise within the next 5 years.

Local equities slightly rose amid optimism due to growing expectation that interest rates have already peaked after the US PCE inflation print cooled in October. The PSEi closed at 6,245.18 (+0.34% DoD).

Local fixed income yields were mixed but declined on average ahead of the November PH inflation report. Investors also digested easing global oil prices and hawkish comments from Fed Chair Powell. On average, yields fell by 1.02 bps, with the 2Y closing at 5.99% (+2.66 bps) and the 10Y closing at 6.23% (-0.57 bps).

The **Philippine peso** slightly strengthened ahead of the local inflation data release. The USD/PHP pair closed at 55.40 (-0.15% DoD).

The US ISM Manufacturing PMI was unchanged at 46.7 in November as factory employment declined, new orders continued to contract, and customers' inventories built up. It was the 13th consecutive month that the PMI stayed in contractionary territory.

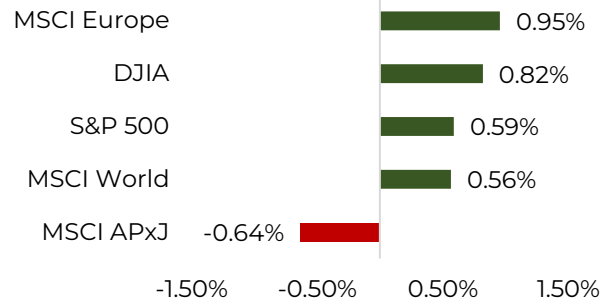
Fed Chair Powell said it is premature to conclude that monetary policy is restrictive enough or to speculate when rates will ease. He reiterated that the Fed is ready to tighten further if necessary.

US equities rose amid growing optimism that the Fed is done raising rates, with possible cuts next year, due to easing inflation. The S&P 500 closed at 4,594.63 (+0.59% DoD) and the DJIA closed at 36,245.5 (+0.82% DoD).

US Treasury yields declined despite Fed Chair Powell's comments that it would be premature to conclude that monetary policy is already restrictive enough. The market still strongly expects that the Fed is done raising interest rates. On average, yields fell by 9.72 bps, with the 2Y closing at 4.54% (-14.10 bps) and the 10Y closing at 4.20% (-13.10 bps).

The **US dollar** weakened as investors focused on bets that the Fed is done with its rate hiking cycle. This is despite US Fed Chairman Powell saying that the Fed could still raise the policy rate if needed. The DXY closed at 103.27 (-0.22% DoD).

Global Stock Indices



| | Level | DoD |
|-------------------------|-----------|------------|
| S&P 500 | 4,594.63 | +0.59% |
| DJIA | 36,245.50 | +0.82% |
| 3-mo US Treasury yield | 5.40% | -0.50 bps |
| 2-yr US Treasury yield | 4.54% | -14.10 bps |
| 10-yr US Treasury yield | 4.20% | -13.10 bps |
| DXY | 103.27 | -0.22% |