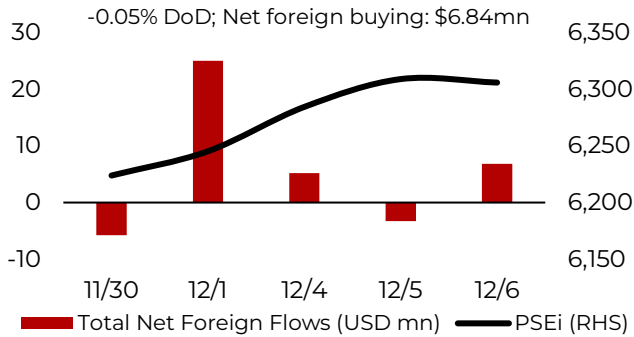


The Morning View

DECEMBER 7, 2023

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,305.85	-0.05%
3-mo bond yield	5.18%	-8.61 bps
2-yr bond yield	6.03%	+1.79 bps
10-yr bond yield	6.18%	-5.78 bps
USDPHP	55.31	-0.03%
Oil (Brent, \$ / barrel)	74.3	-3.76%

The Bureau of Customs reported that it has collected Php75.3 billion in November, surpassing its target for the month by 1.5%, amid improved efficiency of tax collections. Its total 11-month collections accounted for 93% of Php874.2 billion full-year target, and it aims to collect Php78 billion in December.

Converge ICT Solutions, Inc. (Ticker: CNVRG) will build the Philippines' first contact center powered by generative artificial intelligence. The firm tapped the services of US-based company Salesforce, Inc. for their generative AI to resolve customer problems. The facility is scheduled to be operational by the second half of next year.

Local equities inched down on profit taking after the market's three-day rally and a lack of domestic catalysts. The PSEi closed at 6,305.85 (-0.05% DoD).

Local fixed income yields fell as investors continued to weigh the slower-than-expected domestic inflation print. Investors also digested the below-consensus job openings data in the US. On average, yields fell by 4.68 bps, with the 2Y closing at 6.03% (+1.79 bps) and the 10Y closing at 6.18% (-5.78 bps).

The **Philippine peso** was flat as gains from easing November local inflation were offset by Moody's cut to China's credit rating outlook. The USD/PHP pair closed at 55.31 (-0.03% DoD).

The US ADP private payroll growth slowed to 103,000 in November (October: 106,000), as the leisure and hospitality sector recorded a loss of 7,000 jobs. Pay increases also cooled to a 2-year low with only a 5.6% YoY growth for job-stayers, while job-changers saw wage increases of 8.3% YoY.

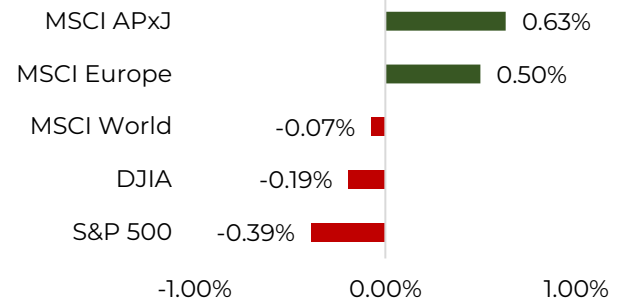
Oil prices fall to their lowest levels since June as U.S. gasoline inventories rose by 5.4 million barrels last week, more than 5x the expected 1 million barrel rise. Concerns were also raised over future fuel demand as they digested the Moody's outlook downgrade of China from stable to negative.

US equities declined ahead of key payroll data. Markets also weighed easing labor data from the Job Openings and Labor Turnover Survey and larger-than-expected rise in gasoline inventories. The S&P 500 closed at 4,549.34 (-0.39% DoD) and the DJIA closed at 36,054.43 (-0.19% DoD).

US Treasury yields fell as the soft private payrolls and unit labor cost data reinforced market expectations that the Fed is likely done with raising rates. On average, yields fell by 3.40 bps, with the 2Y closing at 4.6% (+1.60 bps) and the 10Y closing at 4.11% (-6.10 bps).

The **US dollar** strengthened ahead of nonfarm payroll data. Markets are also pricing in sooner and deeper rate cuts from the European Central Bank. The DXY closed at 104.15 (+0.1% DoD)

Global Stock Indices



	Level	DoD
S&P 500	4,549.34	-0.39%
DJIA	36,054.43	-0.19%
3-mo US Treasury yield	5.42%	+3.90 bps
2-yr US Treasury yield	4.60%	+1.60 bps
10-yr US Treasury yield	4.11%	-6.10 bps
DXY	104.15	+0.10%

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