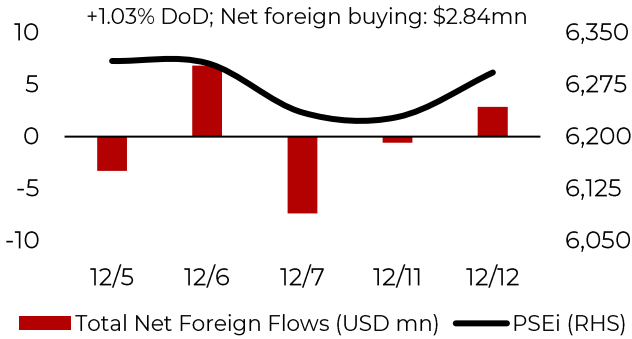


# The Morning View

DECEMBER 13, 2023

## Philippine Stock Exchange Index



**The Philippine trade deficit widened 26% YoY to \$4.17 billion in October (September: revised \$3.58 billion).** This is on the back of a 17.5% YoY decline in exports to \$6.36 billion with dimmed demand for exports of electronic products. Meanwhile, imports registered a slower contraction of 4.4% YoY to \$10.54 billion.

**ACEN Corp. (Ticker: ACEN) identified 6 initiatives in relation to the retirement of its 246-megawatt coal power plant.** ACEN launched its Just Energy Transition roadmap for its sole coal plant's early retirement, in partnership with Coal Asset Transition Accelerator & Climate Smart Ventures. The plant is expected to be decommissioned as early as 2030.

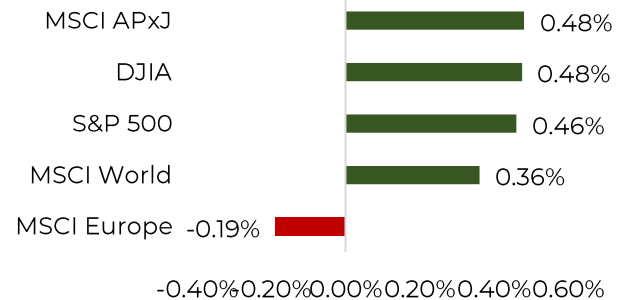
**Local equities** climbed as investors positioned ahead of the November US CPI data release as well as the policy meetings of the US Fed and the Bangko Sentral ng Pilipinas (BSP). The PSEi closed at 6,292.39 (+1.03% DoD).

**Local fixed income yields** rose as investors awaited the US November inflation data which came out overnight. On average, yields rose by 3.42 bps, with the 2Y closing at 6.06% (+0.79 bps) and the 10Y closing at 6.21% (+3.2 bps).

The **Philippine peso** strengthened in anticipation of the US inflation data release. The USD/PHP pair closed at 55.57 (-0.14% DoD).

	Level	DoD
PSEi	6,292.39	+1.03%
3-mo bond yield	5.28%	+8.26 bps
2-yr bond yield	6.06%	+0.79 bps
10-yr bond yield	6.21%	+3.20 bps
USDPHP	55.57	-0.14%
Oil (Brent, \$ / barrel)	73.24	-3.67%

## Global Stock Indices



**The US headline consumer price index (CPI) inflation slowed to 3.1% YoY in November (October: 3.2%), in line with street expectations,** amid the decline in energy costs. Month-on-month, the CPI edged up by 0.1% as higher shelter costs offset the drop in the gasoline index.

**Wage growth in the United Kingdom slowed down to 7.3% YoY** in the 3 months through October, a near 2-year low. Most sectors saw a slowdown in wage growth except for the retail and hospitality sector.

**US equities** rose to its new highest level year-to-date ahead of Fed's policy decision this Thursday, as investors digested the CPI print for November. The S&P 500 closed at 4,643.70 (+0.46% DoD) and the DJIA closed at 36,577.94 (+0.48% DoD).

**US Treasury yields** were mixed but fell on average as Investors digested the US CPI reading for November which supported views that the US Fed will keep rates unchanged in its meeting later this week. On average, yields fell by 1.88 bps, with the 2Y closing at 4.73% (+2.10 bps) and the 10Y closing at 4.2% (-3.20 bps).

The **US dollar** weakened amid the slower inflation print for November. Investors also continued to await the Fed's upcoming policy decision. The DXY closed at 103.87 (-0.22% DoD).

	Level	DoD
S&P 500	4,643.70	+0.46%
DJIA	36,577.94	+0.48%
3-mo US Treasury yield	5.40%	-0.30 bps
2-yr US Treasury yield	4.73%	+2.10 bps
10-yr US Treasury yield	4.20%	-3.20 bps
DXY	103.87	-0.22%

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