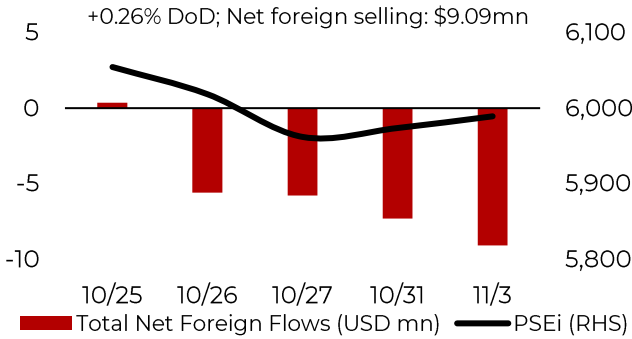


The Morning View

NOVEMBER 6, 2023

Philippine Stock Exchange Index



	Level	DoD
PSEi	5,989.27	+0.26%
3-mo bond yield	6.17%	+2.13 bps
2-yr bond yield	6.59%	+2.46 bps
10-yr bond yield	7.00%	-3.53 bps
USDPHP	56.10	-1.11%
Oil (Brent, \$ / barrel)	84.89	-2.26%

Bloomberg consensus is expecting PH gross domestic product (GDP) to grow by 4.7% in 3Q23. If realized, year-to-date (YTD) GDP growth will reach 5.1%. Meanwhile, analysts are also expecting September inflation to decelerate to 5.6%. If realized, this would bring YTD inflation to 6.5%.

Globe Telecom, Inc. (Ticker: GLO) reported a **27% YoY decline on its attributable net income to Php4.97 billion in the third quarter.** This was driven by higher non-operating expenses. Nonetheless, service revenues, which accounted for the majority of the telecom giant's consolidated topline, rose 4% YoY.

Local equities edged higher as the US Fed's decision to pause its policy rate hikes lifted investors' sentiment. The PSEi closed at 5,989.27 (+0.26% DoD).

Local fixed income yields were mixed but rose on average as the US Federal Reserve maintained its benchmark rates. Investors also positioned ahead of the local inflation data release. On average, yields rose by 0.99 bps, with the 2Y closing at 6.59% (+2.46 bps) and the 10Y closing at 7% (-3.53 bps).

The **Philippine peso** strengthened amid the seasonal increase in remittances during last week's holidays. This was also after the US Fed signaled that its tightening cycle could be near its end. The USD/PHP pair closed at 56.10 (-1.11% DoD).

US nonfarm payrolls grew by 150,000 in October (Sept: revised 297,000), slower than the 180,000 estimate amid the impact of the strikes from United Auto Workers. Meanwhile, unemployment rate ticked up to 3.9% (Sept: 3.8%), and average hourly earnings cooled to 0.2% MoM (Sept: +0.3%).

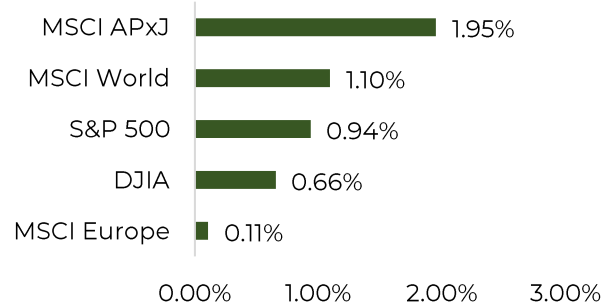
US Institute for Supply Management (ISM) services PMI fell to a five-month low of 51.8 in September (August: 53.6) as momentum ebbed and spending on goods outpaced outlays on services. Services inflation remained sticky in the same month.

US equities rose as investors digested a fresh batch of labor data which boosted hopes that the Fed could be done with raising rates this year. The S&P 500 closed at 4,358.34 (+0.94% DoD) and the DJIA closed at 34,061.32 (+0.66% DoD).

US Treasury yields pulled back after key employment data including the nonfarm payroll additions, unemployment rate, and average hourly earnings came in cooler than expected. On average, yields fell by 7.59 bps, with the 2Y closing at 4.84% (-15.00 bps) and the 10Y closing at 4.57% (-8.70 bps).

The **US dollar** weakened to a six-week low on the back of softer-than-expected October jobs data, which reinforced bets that the Fed may likely continue to hold interest rates steady. The DXY closed at 105.02 (-1.04% DoD).

Global Stock Indices



	Level	DoD
S&P 500	4,358.34	+0.94%
DJIA	34,061.32	+0.66%
3-mo US Treasury yield	5.43%	-0.80 bps
2-yr US Treasury yield	4.84%	-15.00 bps
10-yr US Treasury yield	4.57%	-8.70 bps
DXY	105.02	-1.04%

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