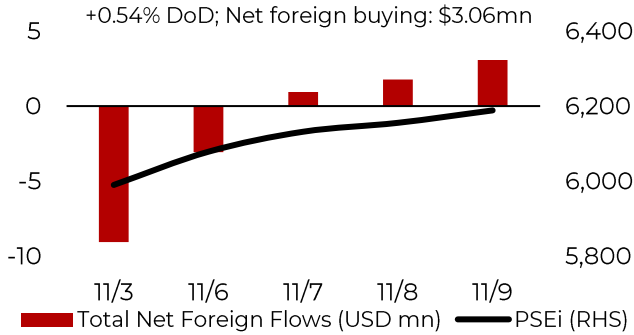


# The Morning View

NOVEMBER 10, 2023

## Philippine Stock Exchange Index



	Level	DoD
PSEi	6,188.22	+0.54%
3-mo bond yield	6.16%	+0.32 bps
2-yr bond yield	6.47%	-4.58 bps
10-yr bond yield	6.75%	-10.75 bps
USDPHP	55.89	-0.28%
Oil (Brent, \$ / barrel)	80.01	+0.59%

Data from the **Philippine Statistics Authority** showed that PH gross domestic product (GDP) growth accelerated to 5.9% in 3Q23 from 4.3% in the previous quarter. This brought the year-to-date growth average to 5.5%. The strong growth was driven by a rebound in government spending.

**ACEN Corp.'s (Ticker: ACEN) consolidated net income climbed 59% YoY to Php6.6 billion in the first nine months of the year.** Consolidated revenues rose 13% YoY amid higher retail customer tariffs and the ramp-up of renewable projects. The robust growth was boosted by one-off gains from the sell-down of the Salak and Darajat geothermal plants.

**Local equities** further climbed as the stronger-than-expected third quarter GDP lifted market sentiment. The PSEi closed at 6,188.22 (+0.54% DoD).

**Local fixed income yields** fell as GDP growth accelerated faster than expected. On average, yields fell by 3.82 bps, with the 2Y closing at 6.47% (-4.58 bps) and the 10Y closing at 6.75% (-10.75 bps).

The **Philippine peso** strengthened following the release of the stronger-than-expected third quarter GDP growth report. The USD/PHP pair closed at 55.89 (-0.28% DoD).

**US initial jobless claims for the week ending November 4 declined to a seasonally adjusted 217,000 (previous revised: 220,000).** Although showing signs of gradual cooling, this continued to point to a tight US labor market.

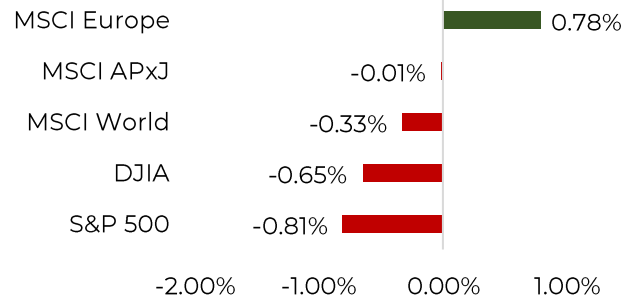
**China's Consumer Price Index (CPI) dropped to -0.2% YoY in October (Sept: 0.0%)** as pork prices declined further. The Producer Price Index (PPI) likewise shrank for the 13<sup>th</sup> straight month to 2.6% YoY (Sept: -2.5%) as domestic demand remained sluggish.

**US equities** dropped as Treasury yields rallied and investors digested hawkish comments from US Fed Chair Powell. The S&P 500 closed at 4,347.35 (-0.81% DoD) and the DJIA closed at 33,891.94 (-0.65% DoD).

**US Treasury yields** spiked after Fed Chair Powell said in his speech that policy rates may not be restrictive enough to bring inflation down to its 2% target. This was also following the 30-year bond auction that saw weak demand. On average, yields rose by 9.72 bps, with the 2Y closing at 5.02% (+8.60 bps) and the 10Y closing at 4.63% (+13.30 bps).

The **US dollar** strengthened as investors digested hawkish comments from Fed Chair Powell, suggesting that policy rates are not yet restrictive enough to bring down inflation. The DXY closed at 105.91 (+0.30% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	4,347.35	-0.81%
DJIA	33,891.94	-0.65%
3-mo US Treasury yield	5.44%	-1.10 bps
2-yr US Treasury yield	5.02%	+8.60 bps
10-yr US Treasury yield	4.63%	+13.30 bps
DXY	105.91	+0.30%

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