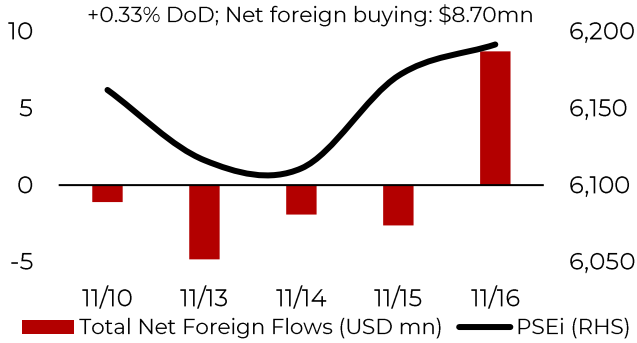


# The Morning View

NOVEMBER 17, 2023

## Philippine Stock Exchange Index



**The Department of Tourism (DoT) announced that the tourism industry recorded revenues totaling Php404 billion for the first ten months of the year, up 190% YoY.** The DoT said that growth was due to an increase of international arrivals. Year-to-date, tourists stand at 96% of DoT's FY23 target of 4.8 million international arrivals.

**Manila Electric Company (Ticker: MER) partnered with Ultra Safe Nuclear Corp. (USNC) to study the commercial viability of nuclear energy,** through USNC's Micro-Modular Reactor (MMR) energy system. Meralco said this is part of its long-term sustainability project to accelerate the use of green energy.

**Local equities** rose further as the Bangko Sentral ng Pilipinas' (BSP) decision to keep policy rates steady lifted market sentiment. The PSEi closed at 6,191.48 (+0.33% DoD).

**Local fixed income yields** were flattish amid the BSP's decision aligning with market expectation. On average, yields rose by 0.08 bps, with the 2Y closing at 6.35% (-1.48 bps) and the 10Y closing at 6.6% (-0.44 bps).

The **Philippine peso** slightly strengthened after the BSP held its policy rate unchanged at 6.50% but signaled that it would need to keep rates higher for longer due to lingering upside risks to inflation. The USD/PHP pair closed at 55.79 (-0.06% DoD).

	Level	DoD
PSEi	6,191.48	+0.33%
3-mo bond yield	6.19%	-1.53 bps
2-yr bond yield	6.35%	-1.48 bps
10-yr bond yield	6.60%	-0.44 bps
USDPHP	55.79	-0.06%
Oil (Brent, \$ / barrel)	77.42	-4.63%

**US industrial production fell 0.6% MoM in October (Sept: +0.1%),** more than the -0.4% consensus estimate. Lower manufacturing output due to the strikes by the United Auto Workers (UAW) union mainly drove the decline.

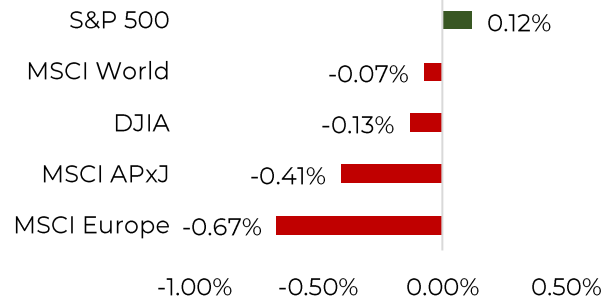
**US mortgage rates cooled for the third straight week** as markets absorbed the slowdown in inflationary pressures. Homebuyers take advantage of the lower rates, bringing purchase applications at a five-week high. In the week ending Nov. 16, the 30-year mortgage rate averaged 7.44%, lower than the 7.5% in the week prior.

**US equities** were mixed amid profit taking and weak corporate earnings forecasts. Investors also digested the higher-than-expected weekly jobless claims data which raised bets that the US Fed does not need to hike rates further. The S&P 500 closed at 4,508.24 (+0.12% DoD) and the DJIA closed at 34,945.47 (-0.13% DoD).

**US Treasury yields** declined as investors assessed the outlook for monetary policy after a series of weak economic data reports. On average, yields fell by 6.75 bps, with the 2Y closing at 4.84% (-7.40 bps) and the 10Y closing at 4.44% (-9.40 bps).

The **US dollar** closed flat after a slew of weak economic data releases during the week. The DXY closed at 104.35 (-0.04% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	4,508.24	+0.12%
DJIA	34,945.47	-0.13%
3-mo US Treasury yield	5.41%	-2.00 bps
2-yr US Treasury yield	4.84%	-7.40 bps
10-yr US Treasury yield	4.44%	-9.40 bps
DXY	104.35	-0.04%

This material, which is strictly for information purposes only, is for your sole use, does not constitute a recommendation or an offer to sell or a solicitation to buy any financial product. Any information is subject to change without notice and BPI Wealth is not under any obligation to update or keep current the information contained herein. You are advised to make your own independent judgment with respect to the matter contained in this document. No liability whatsoever is accepted for any loss that may arise (whether direct or consequential) from any use of the information contained herein.

All funds managed by BPI Wealth are Trust and/or Investment Management Funds, which do not carry any guarantee of income or principal, and are NOT covered by the Philippine Deposit Insurance Corporation. Past performance is not a guarantee of future results. BPI Wealth Investment Funds are valued daily using the marked-to-market method.