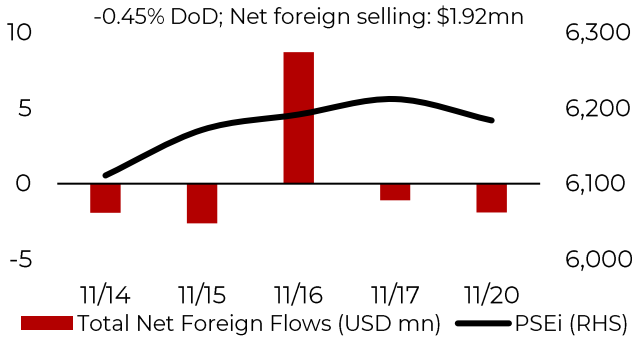


The Morning View

NOVEMBER 21, 2023

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,183.63	-0.45%
3-mo bond yield	6.03%	-11.48 bps
2-yr bond yield	6.31%	+0.79 bps
10-yr bond yield	6.45%	-8.96 bps
USDPHP	55.55	-0.22%
Oil (Brent, \$ / barrel)	82.32	+2.12%

The Bureau of the Treasury (BTr) raised Php15 billion with the sale of the government's first tokenized bonds. The maiden offering of the tokenized bonds had a coupon rate of 6.5% and surpassed the initial target issue size of Php10 billion.

Aboitiz Equity Ventures Inc. (Ticker: AEV), together with Coca-Cola Europacific Partners Plc. (CCEP), plans to jointly acquire Coca-Cola Beverages Philippines, Inc. (CCBPI) from The Coca-Cola Company (TCCC) for \$1.8 billion. AEV will purchase 40% of CCBPI, while the remaining 60% will be bought by CCEP.

Local equities fell on the back of profit-taking from the recent market rally. Investors also remained on the sidelines amid lack of positive catalysts in the market. The PSEi closed at 6,183.63 (-0.45% DoD).

Local fixed income yields declined as investors weighed the BTr's first sale of tokenized bonds. On average, yields fell by 3.85 bps, with the 2Y closing at 6.31% (+0.79 bps) and the 10Y closing at 6.45% (-8.96 bps).

The **Philippine peso** strengthened amid easing local and global inflationary concerns following the cooler-than-expected October inflation reports. The USD/PHP pair closed at 55.55 (-0.22% DoD).

The Producer Price Index (PPI) of Germany fell 11.0% YoY in October (September: -14.7%), marking its fourth straight month of decline. The continued double-digit decrease was attributed to the 27.9% YoY drop in energy prices.

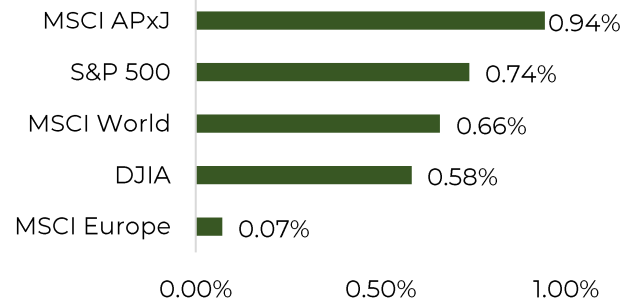
European Central Bank's President Christine Lagarde ruled out possible rate cuts for the next few quarters amid lingering upside risks to Europe's inflation. The ECB broke its streak of 10 consecutive hikes last October and signaled rates to remain unchanged for its next policy meetings.

US equities rose amid positive sentiment over the tech sector as Microsoft hit a record high after it hired prominent AI executives. Investors also positioned ahead of the November Fed meeting minutes to be released this week. The S&P 500 closed at 4,547.38 (+0.74% DoD) and the DJIA closed at 35,151.04 (+0.58% DoD).

US Treasury yields were mixed as investors waited for the release of the minutes of the Fed's latest meeting and digested the 20-year bond auction. On average, yields fell by 0.14 bps, with the 2Y closing at 4.92% (+2.70 bps) and the 10Y closing at 4.42% (-1.50 bps).

The **US dollar** weakened as investors continued to digest the deceleration in inflation and waited for the release of the November FOMC minutes this week. The DXY closed at 103.44 (-0.46% DoD).

Global Stock Indices



	Level	DoD
S&P 500	4,547.38	+0.74%
DJIA	35,151.04	+0.58%
3-mo US Treasury yield	5.41%	+1.50 bps
2-yr US Treasury yield	4.92%	+2.70 bps
10-yr US Treasury yield	4.42%	-1.50 bps
DXY	103.44	-0.46%