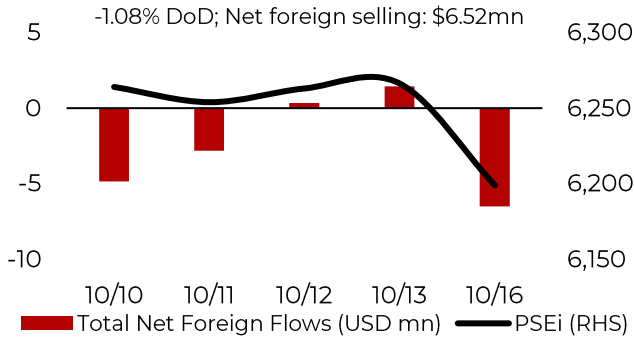


The Morning View

OCTOBER 17, 2023

Philippine Stock Exchange Index



The **Bangko Sentral ng Pilipinas** reported that cash remittances from overseas Filipino workers rose by 2.7% YoY to \$2.79 billion. The central bank attributes the increase to increased receipts from land-based and sea-based workers.

Aboitiz Infracapital, Inc. (AIC), the infrastructure arm of **Aboitiz Equity Ventures, Inc. (Ticker: AEV)**, targets to start the construction of its fourth economic estate in Tarlac City in the first half of next year. The 200-hectare property is set to attract more manufacturing companies eyeing for an industrial development that has reliable and secure utilities.

Local equities fell as the geopolitical conflict in the Middle East continue to weigh down on market sentiment. The PSEi closed at 6,198.83 (-1.08% DoD).

Local fixed income yields were mixed as investors weighed volatile oil prices amid the Israel-Palestine conflict. On average, yields rose by 2.33 bps, with the 2Y closing at 6.33% (-0.49 bps) and the 10Y closing at 6.55% (+0.07 bps).

The **Philippine peso** slightly strengthened as oil prices eased from its recent surge amid the ongoing geopolitical conflict in the Middle East. The USD/PHP pair closed at 56.78 (-0.05% DoD).

	Level	DoD
PSEi	6,198.83	-1.08%
3-mo bond yield	5.91%	+3.99 bps
2-yr bond yield	6.33%	-0.49 bps
10-yr bond yield	6.55%	+0.07 bps
USDPHP	56.78	-0.05%
Oil (Brent, \$ / barrel)	89.65	-1.36%

Wholesale prices in Germany contracted for the sixth straight month, dropping by 4.1% YoY in September (August: -2.7%). This was on the back of the 19.8% YoY decrease in mineral oil product prices amid a high base mainly due to the Russia-Ukraine war.

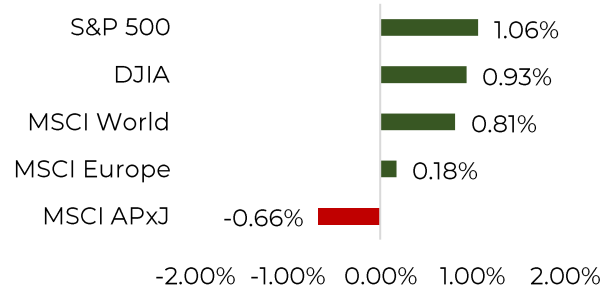
The People's Bank of China (PBOC) held its one-year medium term lending facility (MLF) rate unchanged at 2.5%. To keep liquidity adequate, the PBOC also injected fresh 289 billion yuan into the banking system. This brought the available medium-term lending facility to 789 billion yuan.

US equities climbed as investors turned their attention to the release of corporate earnings results for 3Q23. The S&P 500 closed at 4,373.63 (+1.06% DoD) and the DJIA closed at 33,984.54 (+0.93% DoD).

US Treasury yields rose amid the expected supply of US government debt issuances this week. Moreover, investors weighed the outlook for monetary policy as uncertainties lie ahead amid persisting geopolitical risks. On average, yields rose by 6.12 bps, with the 2Y closing at 5.10% (+4.10 bps) and the 10Y closing at 4.71% (+9.40 bps).

The **US dollar** weakened as the market waited for further clues on the Fed's next policy rate move and monitored developments in the Middle East conflict. The DXY closed at 106.24 (-0.38% DoD).

Global Stock Indices



	Level	DoD
S&P 500	4,373.63	+1.06%
DJIA	33,984.54	+0.93%
3-mo US Treasury yield	5.51%	+0.40 bps
2-yr US Treasury yield	5.10%	+4.10 bps
10-yr US Treasury yield	4.71%	+9.40 bps
DXY	106.24	-0.38%

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