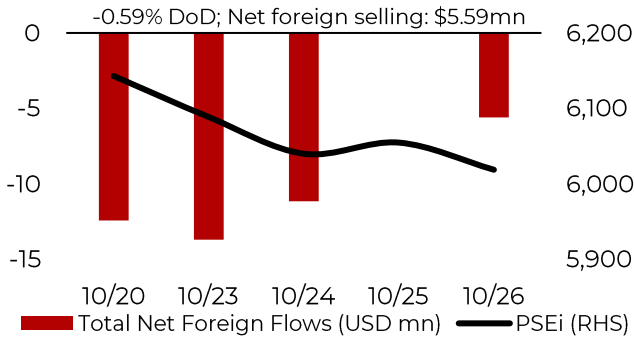


## Philippine Stock Exchange Index



|                          | Level    | DoD       |
|--------------------------|----------|-----------|
| PSEi                     | 6,018.49 | -0.59%    |
| 3-mo bond yield          | 6.08%    | +0.97 bps |
| 2-yr bond yield          | 6.48%    | +1.29 bps |
| 10-yr bond yield         | 6.89%    | +7.17 bps |
| USDPHP                   | 56.96    | +0.19%    |
| Oil (Brent, \$ / barrel) | 87.93    | -2.44%    |

**The Bangko Sentral ng Pilipinas (BSP) delivered an off-cycle rate hike and raised its key policy rate by 25 bps to 6.50%**, as inflation is expected to remain above the 2-4% target range until the middle of 2024. The BSP Governor hinted the possibility of further tightening depending on data.

**Aboitiz Power Corporation (Ticker: AP) renewed its power supply deal with Max Group, Inc.'s manufacturing arm No Bia, Inc.** to supply 1.2 kilowatts of electricity. The renewed contract covers November 2023 until December 2027.

**Local equities** dropped as investors anticipated the off-cycle rate hike that the BSP mentioned last Tuesday. The PSEi closed at 6,018.49 (-0.59% DoD).

**Local fixed income yields** continued to climb following the BSP's announcement of a 25-bp off-cycle rate hike. On average, yields rose by 2.25 bps, with the 2Y closing at 6.48% (+1.29 bps) and the 10Y closing at 6.89% (+7.17 bps).

The **Philippine peso** weakened as the US dollar strengthened ahead of the release of US GDP growth data for the third quarter. The USD/PHP pair closed at 56.96 (+0.19% DoD).

**US GDP grew by 4.9% in 3Q23 (2Q23: 2.1%), above the consensus estimate of 4.5%.** The increase was mainly lifted by the acceleration in consumer spending, pickup in government spending, and rebound in residential investment.

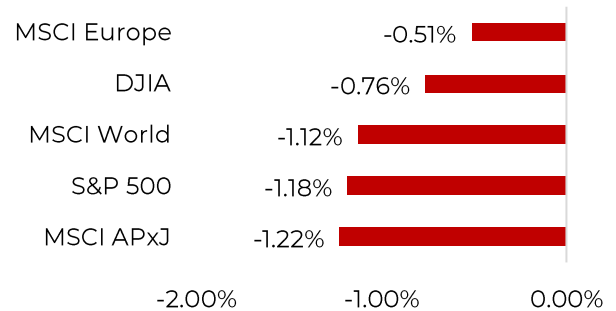
**US 30-year average mortgage rate jumped to 7.9% in the week ended October 20, its highest level since September 2000.** The soaring mortgage rates consequently drove mortgage applications to its 28-year low.

**US equities** ended lower amid mixed earnings results and guidance of megacap names. Investors also weighed the stronger-than-expected 3Q23 GDP print, which could encourage the Fed to keep rates at restrictive level. The S&P 500 closed at 4,137.23 (-1.18% DoD) and the DJIA closed at 32,784.30 (-0.76% DoD).

**US Treasury yields** were mixed as investors digested fresh economic data. The 3Q23 GDP growth came in stronger than expected, while weekly jobless claims indicated a possible slowdown ahead. On average, yields rose by 0.05 bps, with the 2Y closing at 5.04% (-7.60 bps) and the 10Y closing at 4.85% (+2.00 bps).

The **US dollar** slightly strengthened after the US economy grew at a faster pace in the third quarter. The DXY closed at 106.60 (+0.07% DoD).

## Global Stock Indices



|                         | Level     | DoD       |
|-------------------------|-----------|-----------|
| S&P 500                 | 4,137.23  | -1.18%    |
| DJIA                    | 32,784.30 | -0.76%    |
| 3-mo US Treasury yield  | 5.47%     | +2.00 bps |
| 2-yr US Treasury yield  | 5.04%     | -7.60 bps |
| 10-yr US Treasury yield | 4.85%     | +2.00 bps |
| DXY                     | 106.60    | +0.07%    |