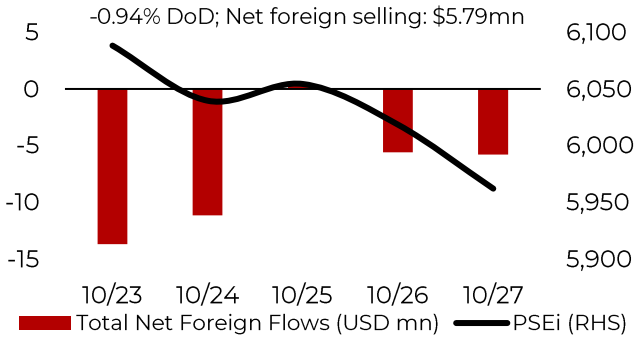


The Morning View

OCTOBER 31, 2023

Philippine Stock Exchange Index



	Level	DoD
PSEi	5,961.99	-0.94%
3-mo bond yield	6.11%	+2.55 bps
2-yr bond yield	6.50%	+1.02 bps
10-yr bond yield	6.94%	+5.16 bps
USDPHP	56.96	-0.01%
Oil (Brent, \$ / barrel)	87.45	-3.35%

Bangko Sentral ng Pilipinas (BSP) Governor Eli Remolona hinted at keeping interest rates unchanged on its policy-setting meeting scheduled on November 16 after delivering an off-cycle 25-bps hike last October 26. This is supported by the expectation that inflation likely eased in October.

Globe Telecom, Inc. (Ticker: GLO) has been recognized by Ookla, a global network testing firm, as the most consistent broadband operator in 35 locations for the third quarter. Broadband consistency means that the provider's data samples meet the minimum threshold for download and upload speeds.

Local equities sank below the 6,000 level after the BSP announced an off-cycle rate hike, pushing the policy rate to 6.5%. The PSEi closed at 5,961.99 (-0.94% DoD).

Local fixed income yields rose last Friday as the BSP's off-cycle rate hike continued to weigh on sentiment. Investors also awaited the key inflation release of the US. On average, yields rose by 3.27 bps, with the 2Y closing at 6.50% (+1.02 bps) and the 10Y closing at 6.94% (+5.16 bps).

The **Philippine peso** closed flat as the market waited for the monetary policy decision of the US Fed after its meeting this week. The USD/PHP pair closed at 56.96 (-0.01% DoD).

US Personal Consumption Expenditures (PCE) price index remained steady at 3.4% YoY (+0.4% MoM) in September even amid the rise of food and energy prices. Meanwhile, core PCE was up 3.7% YoY (+0.3% MoM) as cost of housing services rose 0.5% MoM.

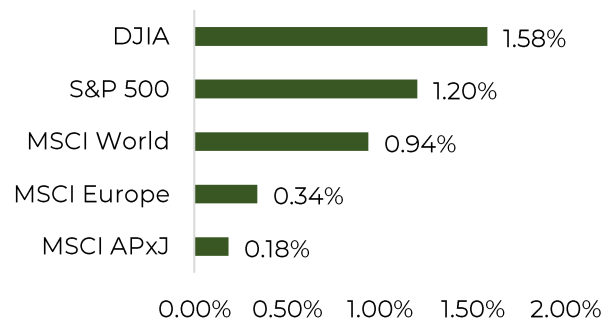
Germany's economy shrank 0.1% in the third quarter (2Q23: +0.1%), as consumer spending continued to decline albeit the positive contribution of capital investments. Meanwhile, inflation marginally cooled 3% YoY in October (September: 4.3%).

US equities rebounded as investors positioned ahead of the US Fed's rate decision and jobs report later this week. The S&P 500 closed at 4,166.82 (+1.20% DoD) and the DJIA closed at 32,928.96 (+1.58% DoD).

US Treasury yields rose as investors waited for the latest monetary policy decision after the FOMC meeting this week. Investors also assessed the US Treasury Department's updated borrowing plans in the final three months of the year. On average, yields rose by 0.75 bps, with the 2Y closing at 5.04% (+3.80 bps) and the 10Y closing at 4.85% (+0.80 bps).

The **US dollar** weakened as investors looked ahead to several major central bank meetings, including the FOMC meeting this week. The DXY closed at 106.12 (-0.41% DoD).

Global Stock Indices



	Level	DoD
S&P 500	4,166.82	+1.20%
DJIA	32,928.96	+1.58%
3-mo US Treasury yield	5.47%	+0.50 bps
2-yr US Treasury yield	5.04%	+3.80 bps
10-yr US Treasury yield	4.85%	+0.80 bps
DXY	106.12	-0.41%

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