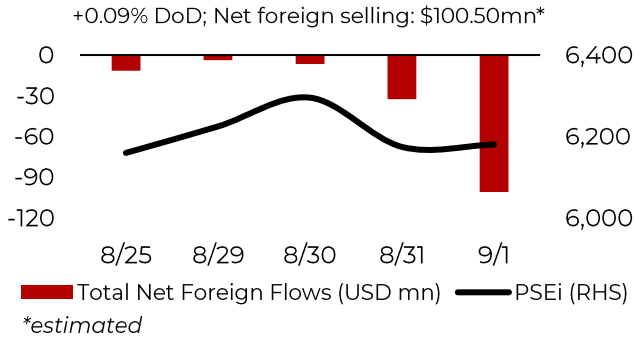


The Morning View

SEPTEMBER 4, 2023

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,181.06	+0.09%
3-mo bond yield	5.71%	0.00 bps
2-yr bond yield	6.19%	0.00 bps
10-yr bond yield	6.39%	0.00 bps
USDPHP	56.595	-0.23%
Oil (Brent, \$ / barrel)	88.55	+1.95%

Bloomberg survey shows that some economists expect Philippine inflation to accelerate in August amid higher oil and rice prices. From the 21 surveyed firms, 9 are expecting August inflation to come in hotter than the July print. The median estimate is at 4.7%.

Globe Telecom, Inc. (Ticker: ICT) said it expects sustained revenue growth despite the deactivation of about 30 million unregistered subscriber identity module (SIM) cards amid the mandatory SIM card registration.

Local equities inched up as investors digested a slightly higher US PCE print. Investors also digested softer local manufacturing PMI data which ended in contractionary territory for the first time in two years. The PSEi closed at 6,181.06 (+0.09% DoD).

Local fixed income yields were flat as trading was closed amid inclement weather. The 2Y remained at 6.19%, while the 10Y remained at 6.39%.

The **Philippine peso** was unchanged last Friday as trading and work in government offices were suspended due to inclement weather. Last Thursday, the USD/PHP pair closed at 56.60 (-0.23% DoD).

The US unemployment rate jumped to 3.8% in August (July: 3.5%) as average hourly earnings moderated to a 0.2% MoM gain (July: 0.4%) and nonfarm payrolls increased by 187,000, signaling some slowing in the labor market.

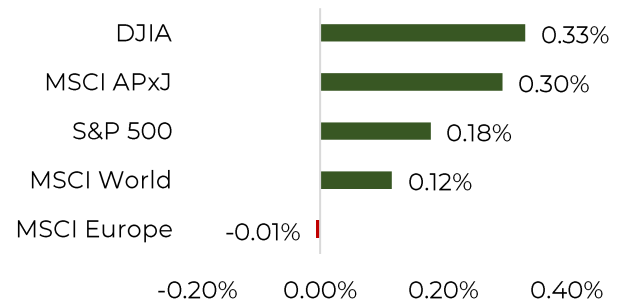
US construction spending rose by 0.7% MoM in July (June: 0.6%), boosted by single-family housing projects amid shortage of available homes. Private construction increased by 1.0% MoM while public construction declined by 0.4% MoM.

US equities slightly went up as investors assessed the latest jobs report which built hopes of the Fed putting its rate hikes on pause at its next meeting. The S&P 500 closed at 4,515.77 (+0.18% DoD) and the DJIA closed at 34,837.71 (+0.33% DoD).

US Treasury yields rose as investors assessed the cooling jobs data but still showing robust labor demand with more jobs added than expected. On average, yields gained 3.57 bps, with the 2Y closing at 4.88% (+1.60 bps) and the 10Y closing at 4.18% (+7.10 bps).

The **US dollar** strengthened after the August jobs report showed that the labor market remained strong despite signs of cooling. The DXY closed at 104.24 (+0.60% DoD).

Global Stock Indices



	Level	DoD
S&P 500	4,515.77	+0.18%
DJIA	34,837.71	+0.33%
3-mo US Treasury yield	5.44%	-3.00 bps
2-yr US Treasury yield	4.88%	+1.60 bps
10-yr US Treasury yield	4.18%	+7.10 bps
DXY	104.24	+0.60%

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