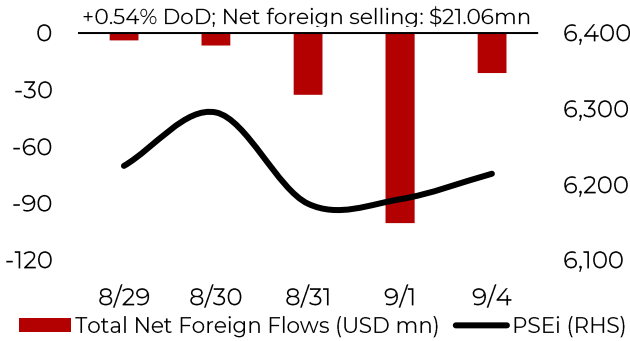


# The Morning View

SEPTEMBER 5, 2023

## Philippine Stock Exchange Index



	Level	DoD
PSEi	6,214.68	+0.54%
3-mo bond yield	5.65%	-5.61 bps
2-yr bond yield	6.19%	+0.80 bps
10-yr bond yield	6.42%	+2.90 bps
USDPHP	56.62	+0.04%
Oil (Brent, \$ / barrel)	89.00	+0.51%

The **Philippine Government** vowed to assist rice retailers affected by the price ceilings imposed on rice. Starting September 5, price caps of Php41/kg and Php45/kg will be imposed on regular milled rice and well-milled rice, respectively. The government seeks to allocate Php2 billion for this subsidy program.

**Jollibee Foods Corporation (Ticker: JFC)** has completed the acquisition of master franchisee Meko Holdings Ltd. in Hong Kong for \$16.0 million. JFC gets 60% ownership, while the remaining 40% will still be owned by the franchisee's shareholders.

**Local equities** rose as investors positioned ahead of the August local CPI print's release. Recent US jobs data which signaled a slowing labor market also lifted bets of a dovish US Fed. The PSEi closed at 6,214.68 (+0.54% DoD).

**Local fixed income yields** were mixed ahead of the official inflation data release. On average, yields fell by 0.06 bps, with the 2Y closing at 6.19% (+0.80 bps) and the 10Y closing at 6.42% (+2.90 bps).

The **Philippine peso** weakened ahead of the local inflation data release. The USD/PHP pair closed at 56.62 (+0.04% DoD).

**US ISM manufacturing PMI improved to 47.6 in August (July: 46.4)**, continuing its contraction but at a slower pace. While production levels stabilized, new orders rapidly declined, and factory input prices remained subdued.

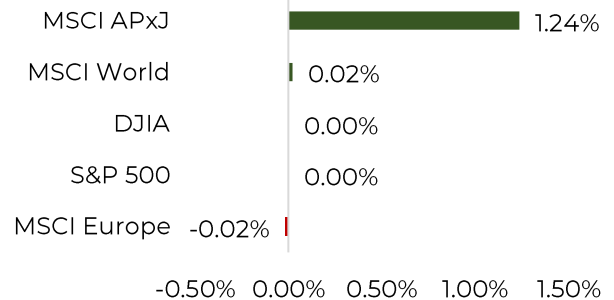
**Canada's 2Q real GDP disappointed with a 0.2% YoY contraction** as the solid boost in domestic demand was offset by inventory de-stocking and modest net trade drag. The Bank of Canada (BOC) will likely maintain its policy rate at 5.0%.

**US equities** were unchanged as markets were closed on account of Labor Day. The S&P 500 closed at 4,515.77 (0.00% DoD) and the DJIA closed at 34,837.71 (0.00% DoD).

**US Treasury yields** had no movement amid closed markets. The 2Y closed at 4.88% (+0.0 bps) and the 10Y closed at 4.18% (+0.0 bps).

The **US dollar** was unchanged as the markets were closed. The DXY closed at 104.24 (+0.00% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	4,515.77	0.00%
DJIA	34,837.71	0.00%
3-mo US Treasury yield	5.44%	0.00 bps
2-yr US Treasury yield	4.88%	0.00 bps
10-yr US Treasury yield	4.18%	0.00 bps
DXY	104.24	0.00%