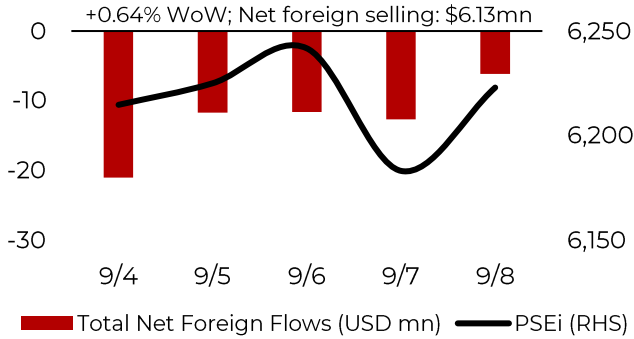


The Morning View

SEPTEMBER 11, 2023

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,222.94	+0.64%
3-mo bond yield	5.66%	+1.94 bps
2-yr bond yield	6.23%	+0.11 bps
10-yr bond yield	6.49%	-0.58 bps
USDPHP	56.63	-0.28%
Oil (Brent, \$ / barrel)	90.65	+0.81%

The **Department of Finance** is proposing a temporary removal of tariffs on rice to lower retail rice prices. The current tariff rate is pegged at 35%. The proposed tariff reduction would only require an executive order for implementation.

Globe Telecom Inc. (Ticker: GLO) expects increases in non-telecommunications revenues over the next the 3 years amid the company's diversification strategies. The company cited its investments in technology, shared services, and entertainment.

Local equities rose as investors picked up bargains following the market's decline in the previous trading day. Investors also digested the latest unemployment and trade data. The PSEi closed at 6,222.94 (+0.64% DoD).

Local fixed income yields rose slightly on tighter-than-expected US labor data. On average, yields rose by 0.23 bps, with the 2Y closing at 6.23% (+0.11 bps) and the 10Y closing at 6.49% (-0.58 bps).

The **Philippine peso** strengthened as investors assessed the most recent trade deficit data which increased MoM but decreased YoY. The USD/PHP pair closed at 56.63 (-0.28% DoD).

China's CPI inflation edged up 0.1% YoY in August (July: -0.3%), returning to marginal positive territory, driven by pick up in fuel prices while food prices eased modestly. PPI remained deflationary as headline fell by 3.0% YoY.

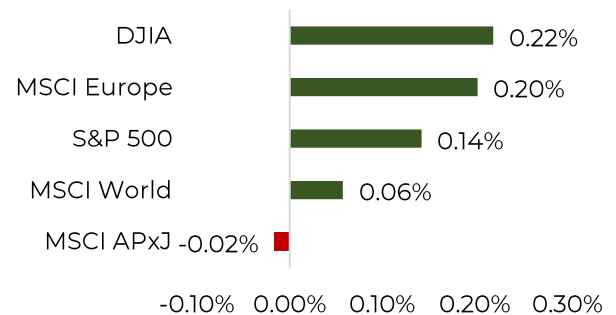
UK permanent placements index dropped to 38.9 in August, while vacancies fell to 50.2, according to the latest KPMG and REC jobs survey. Recruiters often mentioned that weaker economic outlook and cautious hiring policies dampened recruitment activity.

US equities inched up as investors shifted their focus to the upcoming August CPI release. The S&P 500 closed at 4,457.49 (+0.14% DoD) and the DJIA closed at 34,576.59 (+0.22% DoD).

US Treasury yields rose as investors assessed possibility of more rate hikes following the release of strong jobs data, while waiting for the August CPI report. On average, yields gained 1.61 bps, with the 2Y closing at 5.00% (+4.20 bps) and the 10Y closing at 4.27% (+2.00 bps).

The **US dollar** continued to strengthen, hitting a new peak, as investors digested solid US labor data which supported expectations of higher for longer rates from the Fed. The DXY closed at 105.09 (+0.03% DoD).

Global Stock Indices



	Level	DoD
S&P 500	4,457.49	+0.14%
DJIA	34,576.59	+0.22%
3-mo US Treasury yield	5.47%	+0.80 bps
2-yr US Treasury yield	5.00%	+4.20 bps
10-yr US Treasury yield	4.27%	+2.00 bps
DXY	105.09	+0.03%

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