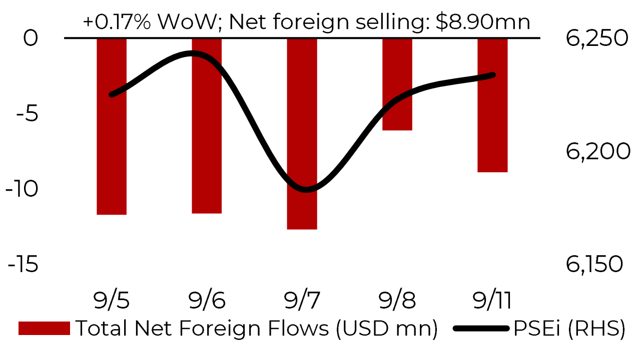
The Morning View

SEPTEMBER 12, 2023

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,233.74	+0.17%
3-mo bond yield	5.62%	-3.48 bps
2-yr bond yield	6.23%	-0.03 bps
10-yr bond yield	6.50%	+0.94 bps
USDPHP	56.69	+0.11%
Oil (Brent, $ / barrel)	90.64	-0.01%

The **Bangko Sentral ng Pilipinas** reported that net foreign direct investments declined by 3.9% to $484 million in June. The decline was due to the decrease in non-residents' net investments in equity capital and their reinvestment of earnings, offsetting increases in net investments in debt securities.

Manila Electric Co. (Ticker: MER) will conduct a pre-feasibility study together with Ultra Safe Nuclear Corp. on the potential development in the country of micromodular reactors for nuclear energy.

Local equities ended slightly higher as investors waited for the release of the US August CPI report. The PSEi closed at 6,233.74 (+0.17% DoD).

Local fixed income yields fell on bargain hunting following 4 straight sessions of rising yields. Yields also fell ahead of the US CPI report. On average, yields fell by 0.79 bps, with the 2Y closing at 6.23% (-0.03 bps) and the 10Y closing at 6.5% (+0.94 bps).

The **Philippine peso** weakened as investors remained on the sidelines ahead of the August inflation data in the US. The USD/PHP pair closed at 56.69 (+0.11% DoD).

The NY Fed's August Consumer Sentiment Survey found stable inflation views at 3.6% a year from now (July: 3.5%) but saw worries over tougher credit access amid persistently high interest rates and tighter standards at banks.

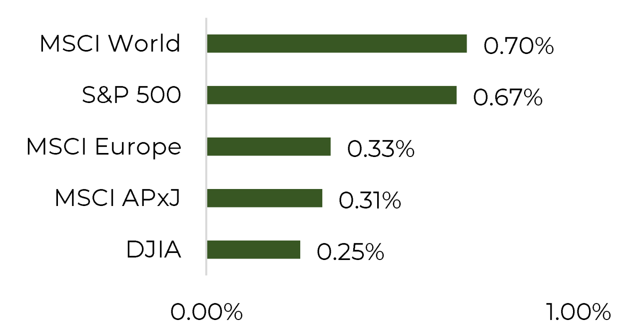
China's total social financing (TSF) jumped 9.0% YoY in August (July: 8.9%) as credit demand stabilized after a series of monetary policy easing. Household loans, including mortgages, also recovered in August after contracting in July.

US equities went up as tech stocks rebounded. Investors also looked to a fresh batch of economic data, especially inflation data, due this week which could influence the direction of the Fed's monetary policy. The S&P 500 closed at 4,487.46 (+0.67% DoD) and the DJIA closed at 34,663.72 (+0.25% DoD).

US Treasury yields were mixed as investors looked ahead to the release of August CPI and PPI data. On average, yields gained 1.24 bps, with the 2Y closing at 4.99% (-0.20 bps) and the 10Y closing at 4.30% (+2.60 bps).

The **US dollar** weakened as investors digested remarks from Bank of Japan Governor Ueda signaling a potential shift in policy. The DXY closed at 104.57 (-0.50% DoD).

Global Stock Indices



	Level	DoD
S&P 500	4,487.46	+0.67%
DJIA	34,663.72	+0.25%
3-mo US Treasury yield	5.46%	-1.40 bps
2-yr US Treasury yield	4.99%	-0.20 bps
10-yr US Treasury yield	4.30%	+2.60 bps
DXY	104.57	-0.50%