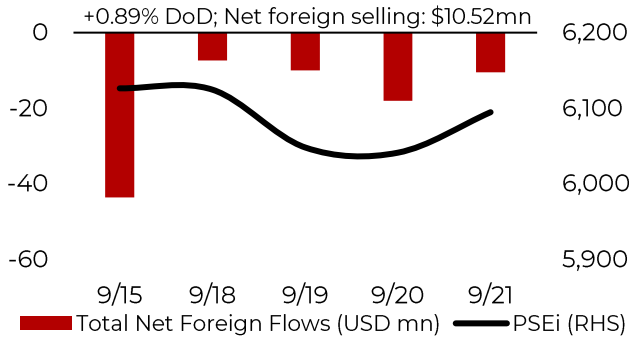


The Morning View

SEPTEMBER 22, 2023

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,094.71	+0.89%
3-mo bond yield	5.61%	+0.51 bps
2-yr bond yield	6.17%	-0.14 bps
10-yr bond yield	6.42%	+1.32 bps
USDPHP	56.855	+0.08%
Oil (Brent, \$ / barrel)	93.30	-0.25%

The **Bangko Sentral ng Pilipinas** maintained its policy rate of 6.25% in its latest Monetary Board meeting. However, the central bank said a rate hike is possible in November depending on inflation data. The BSP also raised its inflation forecasts to 5.8% (from 5.6%) for 2023 and 3.5% (from 3.3%) for 2024. The 2025 inflation forecast was unchanged at 3.4%.

International Container Terminal Services, Inc. (Ticker: ICT) expects to complete its Australian port expansion within 2023. The company said it invested about 1 billion Australian dollars to Victoria International Container Terminal (VICT), its subsidiary, to grow its Melbourne operations.

Local equities climbed amid bargain hunting following four days of decline and as investors weighed the US Fed and the BSP's decision to keep policy rates steady. The PSEi closed at 6,094.71 (+0.89% DoD).

Local fixed income yields rose as the US Federal Reserve signaled one more rate hike in 2023 and a slower pace of rate cuts in 2024 and 2025. On average, yields rose by 0.31 bps, with the 2Y closing at 6.17% (-0.14 bps) and the 10Y closing at 6.42% (+1.32 bps).

The **Philippine peso** weakened after the BSP kept policy rates unchanged and raised its inflation forecasts. The USD/PHP pair closed at 56.855 (+0.08% DoD).

US weekly jobless claims further declined by 20,000 to an eight-month low of 201,000 in the week of September 16. This continued to point to a persistently tight labor market despite cooling job growth.

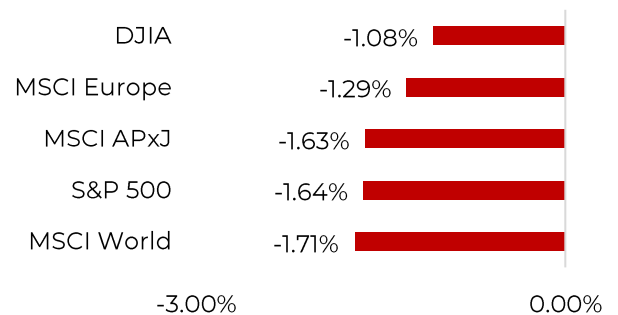
US existing home sales dipped 0.7% MoM in August (July: -2.2%) as limited inventory and rising mortgage rates placed an upward pressure on prices. The median sales price of existing homes rose 3.9% YoY.

US equities fell amid concerns over the Fed's interest rate path and a potential shutdown of the US government. Investors also digested the lower-than-expected initial jobless claims data. The S&P 500 closed at 4,330.00 (-1.64% DoD) and the DJIA closed at 34,070.42 (-1.08% DoD).

US Treasury yields were mixed as investors digested the Fed's hawkish pause and forward guidance, along with the lower-than-expected initial jobless claims, which are pointing to another rate hike before end of the year. On average, yields rose 4.61 bps, with the 2Y closing at 5.15% (-3.00 bps) and the 10Y closing at 4.50% (+8.70 bps).

The **US dollar** strengthened as investors digested the lower-than-expected initial jobless claims and the Fed's guidance of policy rates staying higher for longer. The DXY closed at 105.36 (+0.03% DoD).

Global Stock Indices



	Level	DoD
S&P 500	4,330.00	-1.64%
DJIA	34,070.42	-1.08%
3-mo US Treasury yield	5.50%	+0.70 bps
2-yr US Treasury yield	5.15%	-3.00 bps
10-yr US Treasury yield	4.50%	+8.70 bps
DXY	105.36	+0.03%

This material, which is strictly for information purposes only, is for your sole use, does not constitute a recommendation or an offer to sell or a solicitation to buy any financial product. Any information is subject to change without notice and BPI Wealth is not under any obligation to update or keep current the information contained herein. You are advised to make your own independent judgment with respect to the matter contained in this document. No liability whatsoever is accepted for any loss that may arise (whether direct or consequential) from any use of the information contained herein.

All funds managed by BPI Wealth are Trust and/or Investment Management Funds, which do not carry any guarantee of income or principal, and are NOT covered by the Philippine Deposit Insurance Corporation. Past performance is not a guarantee of future results. BPI Wealth Investment Funds are valued daily using the marked-to-market method.