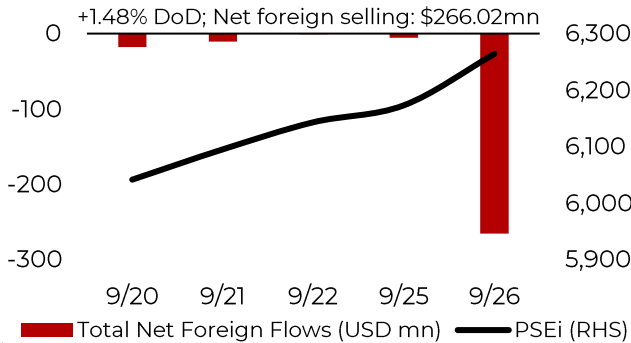


The Morning View

SEPTEMBER 27, 2023

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,263.94	+1.48%
3-mo bond yield	5.63%	+0.88 bps
2-yr bond yield	6.21%	+2.88 bps
10-yr bond yield	6.50%	+2.89 bps
USDPHP	56.955	+0.30%
Oil (Brent, \$ / barrel)	93.96	+0.72%

The **Bangko Sentral ng Pilipinas (BSP)** Governor said he is open to an off-cycle rate hike before the Monetary Board meeting on November 16. He also ruled out any policy easing before 1H24. The Governor said a significant slowdown in the economy and inflation falling below the target range is needed before cutting.

Ayala Land Inc. (Ticker: ALI) and AREIT Inc. (Ticker: AREIT) aim to achieve the EDGE Zero Carbon certification across its 1.5 million sqm portfolio by 2025. EDGE is a green building certification for property owners. ALI partnered with International Finance Corporation (IFC) to be its adviser in this undertaking.

Local equities soared further as investors weighed the BSP chief's hawkish comments. Excess liquidity brought about by index rebalancing also contributed to this increase. The PSEi closed at 6,263.94 (+1.48% DoD).

Local fixed income rose on hawkish comments from the BSP Governor. On average, yields rose by 2.24 bps, with the 2Y closing at 6.21% (+2.88 bps) and the 10Y closing at 6.5% (+2.89 bps).

The **Philippine peso** weakened as the dollar rallied amid the US treasury yields' surge to new record-highs. The USD/PHP pair closed at 56.955 (+0.30% DoD).

US consumer confidence pulled back to 103.1 in September (August: 106.1), largely reflecting consumers' heightened recession fears, according to the Conference Board. Optimism also receded because of concerns on the looming government shutdown.

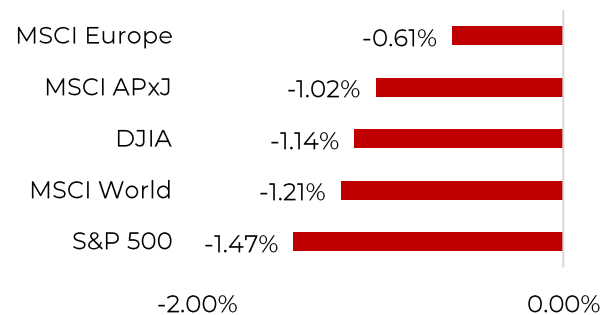
US new home sales dropped 8.7% MoM in August (July revised: +8.0%) as the resurgence of mortgage rates to above 7% continued to weigh on the housing market. The median price of new homes declined by 2.3% YoY to \$430,300.

US equities fell as investors concerns resurfaced over the state of the US economy following weak consumer confidence and housing data. The S&P 500 closed at 4,273.53 (-1.47% DoD) and the DJIA closed at 33,618.88 (-1.14% DoD).

US Treasury yields were mixed as investors digested the lower-than-expected new home sales and diminishing consumer confidence, but remained focused on the Fed's hawkish remarks that the policy rates would stay high for longer. On average, yields rose by 0.60 bps, with the 2Y closing at 5.12% (-0.40 bps) and the 10Y closing at 4.54% (+0.10 bps).

The **US dollar** strengthened on the back of the 10-year treasury yield hitting a new record-high, albeit upside was capped by the weaker-than-expected new home sales and consumer confidence. The DXY closed at 106.23 (+0.22% DoD).

Global Stock Indices



	Level	DoD
S&P 500	4,273.53	-1.47%
DJIA	33,618.88	-1.14%
3-mo US Treasury yield	5.49%	+0.80 bps
2-yr US Treasury yield	5.12%	-0.40 bps
10-yr US Treasury yield	4.54%	+0.10 bps
DXY	106.23	+0.22%

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