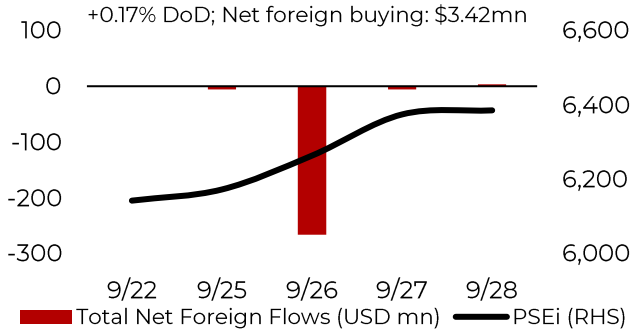


# The Morning View

SEPTEMBER 29, 2023

## Philippine Stock Exchange Index



	Level	DoD
PSEi	6,385.52	+0.17%
3-mo bond yield	5.65%	+2.27 bps
2-yr bond yield	6.24%	+0.85 bps
10-yr bond yield	6.52%	+0.93 bps
USDPHP	56.98	+0.05%
Oil (Brent, \$ / barrel)	95.38	-1.21%

The **National Economic and Development Authority (NEDA)** expects better 3Q gross domestic product growth as the government addressed underspending. Government agencies have been ordered to catch-up on their spending and the country's economic team has been monitoring the progress.

**Globe Telecom, Inc. (Ticker: GLO) tied up with the Intellectual Property Office of the Philippines (IPOPHL) to fight online piracy** by establishing a site-blocking mechanism against unauthorized distribution of pirated content on the internet. The partnership also aims to reduce consumers' exposure to malware and phishing.

**Local equities** gained as investors positioned ahead of the month end and following the PSEi's off-cycle rebalancing. The PSEi closed at 6,385.52 (+0.17% DoD).

**Local fixed income** rose ahead of the Philippine inflation data release. Bloomberg consensus currently expects inflation to stay flat in September at 5.3%. On average, yields rose by 2.26 bps, with the 2Y closing at 6.24% (+0.85 bps) and the 10Y closing at 6.52% (+0.93 bps).

The **Philippine peso** weakened on worries over the possibility of a government shutdown in the US. The USD/PHP pair closed at 56.98 (+0.05% DoD).

**US GDP growth was unrevised at 2.1% in 2Q** as the economy showed resilience despite the slower pace of growth in consumer spending. However, a looming government shutdown and auto worker strike dim the outlook for the rest of 2023.

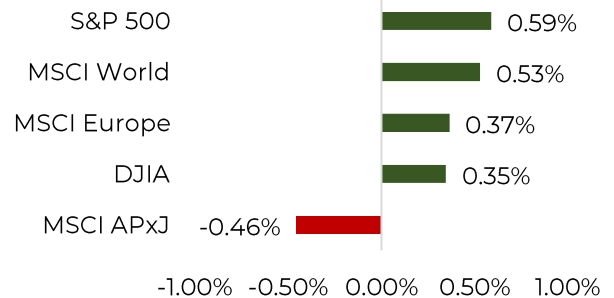
**US weekly initial jobless claims inched up by 2,000 to 204,000 for the week ending September 23** but came in lower than the 214,000 consensus estimate. This suggests that the labor market remains tight even amid the elevated inflation and interest rate environment.

**US equities** climbed as investors digested resilient economic growth and labor market data. This was also ahead of the August PCE inflation data release. The S&P 500 closed at 4,299.70 (+0.59% DoD) and the DJIA closed at 33,666.34 (+0.35% DoD).

**US Treasury yields** declined as investors digested the downgrade to the growth in consumer spending data for the second quarter and waited for the release of the August PCE report. On average, yields dropped by 3.27 bps, with the 2Y closing at 5.06% (-8.00 bps) and the 10Y closing at 4.58% (-3.30 bps).

The **US dollar** weakened as the 10-year US treasury yield pulled back from its recent high. The DXY closed at 106.22 (-0.41% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	4,299.70	+0.59%
DJIA	33,666.34	+0.35%
3-mo US Treasury yield	5.47%	-3.20 bps
2-yr US Treasury yield	5.06%	-8.00 bps
10-yr US Treasury yield	4.58%	-3.30 bps
DXY	106.22	-0.41%