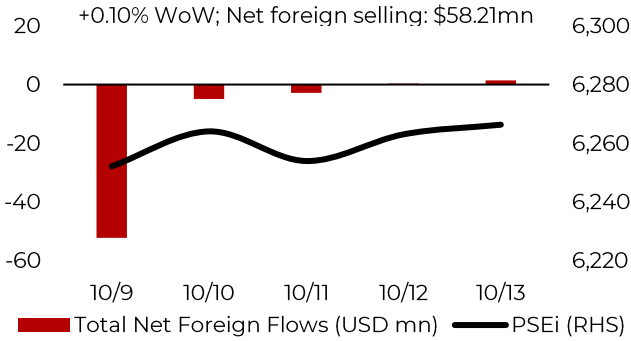


# The Weekly Review

OCTOBER 16, 2023

## Philippine Stock Exchange Index



	Level	WoW
PSEi	6,266.34	+0.10%
3-mo bond yield	5.87%	+15.92 bps
2-yr bond yield	6.33%	+1.50 bps
10-yr bond yield	6.55%	-3.18 bps
USDPHP	56.811	+0.34%
Oil (Brent, \$ / barrel)	90.89	+7.46%

**Local equities** managed to close in the green as investors weighed the narrower trade deficit in August which showed an improvement in exports growth. In addition, the easing unemployment data also lifted market sentiment.

▲ The PSEi closed at 6,266.34 (+0.10% WoW)

**Local fixed income were mixed but rose on average** amid inflationary concerns as the Israel-Palestine conflict ensued. Investors also weighed the dovish Fed comments, FOMC minutes, and the higher-than-expected inflationary print in the US.

▲ On average, yields rose by 6 bps, with the 2Y closing at 6.33% (+2 bps) and the 10Y closing at 6.55% (-3 bps).

The **Philippine Peso** weakened amid safe-haven demand for the US dollar due to the geopolitical tensions between Israel and Palestine. The surge in global oil prices also weighed down on the peso.

▲ USD/PHP pair closed at 56.81 (+0.34% WoW)

**US equities** ended higher as market sentiment was lifted by the decline in US Treasury yields, as well as comments from some US Federal Reserve officials that further policy rate hikes may possibly not be necessary.

▲ S&P 500 closed at 4,327.78 (+0.45% WoW)  
▲ DJIA closed at 33,670.29 (+0.79% WoW)

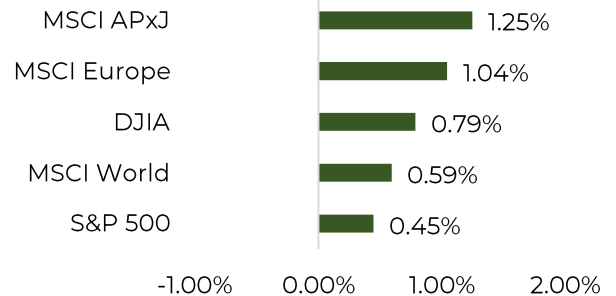
**Global Fixed Income: US Treasury yields declined** as safe-haven demand driven by concerns over the Israel-Hamas war tempered the upside pressures from the faster-than-expected US inflation print for September. Moreover, investors also digested the minutes from the FOMC's September meeting, which stated that the Fed will proceed carefully on its next policy rate move amid economic uncertainties.

▼ On average, US treasury yields fell by 11 bps WoW with the 10Y closing at 4.61% (-19 bps)

The **US Dollar** strengthened after the stronger-than-expected September CPI print reinforced expectations that the Fed will keep rates elevated for longer. Moreover, the dollar was boosted by safe-haven demand amid the Israel-Hamas conflict.

▲ The DXY closed at 106.65 (+0.57% WoW).

## Global Stock Indices



	Level	WoW
S&P 500	4,327.78	+0.45%
DJIA	33,670.29	+0.79%
3-mo US Treasury yield	5.50%	-1.20 bps
2-yr US Treasury yield	5.06%	-2.50 bps
10-yr US Treasury yield	4.61%	-19.10 bps
DXY	106.65	+0.57%

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