

The
MARKET CALL
Capital Markets Research



FMIC and UA&P Capital Markets Research

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Executive Summary

After the 5.9% YoY GDP expansion in Q3, the slowdown in Q2 appears like a hiccup. Coupled with progress in the inflation front and infrastructure spending gaining traction, we expect another robust uptick in Q4, thus dishing out a 5.8% full year growth rate. Consumer spending in Q4 should accelerate not only because of milder inflation but also of likely gains in employment timed with the Christmas spending highs. NG spending should prove robust, albeit a mite softer, in Q4 as policy makers try to bring down the debt-to-GDP ratio closer to 60.0% by yearend. Lower inflation and the prevailing view that Fed policy rate hikes have ended should make the bond market attractive again, but not without volatility. The equity market may still surprise in the last days of the year provided bond yields and inflation rate continue to fall.

Macroeconomy

3 Positive “goldilocks” data surprise markets as GDP expanded by 5.9% YoY in Q3 while inflation slid to 4.9% YoY in October from 6.1% a month ago. Government spending provided the main stimulus as infrastructure spending soared by 26.9% YoY in Q3. Consumer spending which remained a solid base for growth as it increased by 5.0% YoY, should improve further in Q4 as inflation recedes. Moving forward, the latter should continue as weak crude oil prices (even in futures market) should offset a possible further increase in rice prices due to El Nino. The peso-dollar rate should temporarily appreciate as OFW remittances bulk up in December. Thus, we see the economy growing full year at 5.8%.

All sectors posted YoY gains in Q3-2023 led by the Services sector which expanded by 6.8%, while infrastructure spending propelled the demand side.

- Unemployment rate remained at low at 4.5% with the Services sector also providing the biggest boost.
- Manufacturing output took a faster pace of 9.1% YoY in September from 6.8% earlier while October PMI further rose to 52.4 from 50.6 a month ago.
- MoM falls in food and Transport costs pull inflation slower at 4.9% YoY in October (from 6.1% in September).
- Trade balance deficit in September lower at \$3.5-B in September, down -15.0% MoM and -31.5% YoY as imports dive deeper than exports.
- Average peso-dollar in October hardly moved to P56.81/\$1, while four of nine regional currencies gain on the U.S. dollar.

Bond Markets

13 We side with analysts who think that the Fed will keep rates unchanged in its December meeting and may start cutting its policy rates as early as Q1-2024 provided wars do not escalate. Weaker job gains in October coupled with rising jobless claims and the sharp drop in seasonally adjusted MoM inflation to 0% in October from 0.4% in the previous month support our view. Indeed U.S. 10-year bond yields have shed around 50 bps from its peak of nearly 5.0% in October, and with inflation continuing to ease, albeit not as fast as desired, there is a slight downside for those yields. As it would have little effect on domestic bond yields, moving forward inflation prints will likely dictate the pace of further falls in 10-year bond yields until investors see the downward trend in inflation rate gaining traction.

Demand in BTr auctions fell with TOR at 1.423x in October from 2.091x, but worse for T-bills. • Yields for T-bills got pulled up by the BSP off-cycle hike, ending 74.8 bps higher to 6.343%. • Secondary market trading volume tumbled by -26.8% MoM to P377.2-B, second lowest in 2023. • Yields soared by 50 bps+ at long end with 10-year yields rising to 12-month high of 7.033%. • ROP yields tracked U.S. Treasury yield movements at long end for slightly wider spreads.

Equities Market

19 Easing inflation both here and abroad, faster GDP growth for Q3-2023, and corporate earnings up by 20.0% YTD to September and 17.0% YoY for Q3, all helped the index surpass the 6,000 mark after the end of October. Despite lower 10-year domestic bond yields, investors might opt to purchase within the 6,000- 6,300 trading range in anticipation of a strong recovery in 2024. Nevertheless, the PSEi could still finish the year beyond the 6,500 mark if inflation and interest rates become more favorable. Some headwinds may originate from the underweighting of PH stocks (-0.005% points) by MSCI rebalancing to take effect on December 1st.

PSEi ended October at 5,973.78 down by -5.5% MoM as all six sectors landed on the red. • The Property sector had the least contraction as it posted a -2.8% MoM loss in October, followed by the Services sector with a -3.7% MoM decline. • AC Energy Corporation (ACEN) performed the best among PSEi-constituent stocks (ACEN, +7.9% gain MoM). • Semirara Mining and Power Corporation (SCC) led the decliners with -16.9% dip MoM. • In October, more foreign investors still exited the market to the tune of P9.7-B from net selling of P26.4-B a month ago.

Economic Indicators (% change, latest month, unless otherwise stated)	Latest Period	Previous Period	Year-to-Date	2021 (year-end)	2022 (year-end)
GDP Growth (Q3-2023)	5.9	4.3	5.5	5.8	7.2
Inflation Rate (October)	4.9	6.1	6.4	3.1	8.1
Government Spending (September)	8.1	9.7	4.3	12.8	13.6
Gross International Reserves (\$B) (October)	101.1	98.1	100.1	107.1	95.1
PHP/USD rate (October)	56.79	56.79	55.62	48.88	55.68
10-year T-bond yield (end-October)	7.09	6.58	6.39	4.16	6.98

Sources: Philippine Statistics Authority (PSA), Bangko Sentral ng Pilipinas (BSP), Department of Budget and Management (DBM), Philippine Stock Exchange (PSE), Philippine Dealing System (PDS), and Authors' Calculations

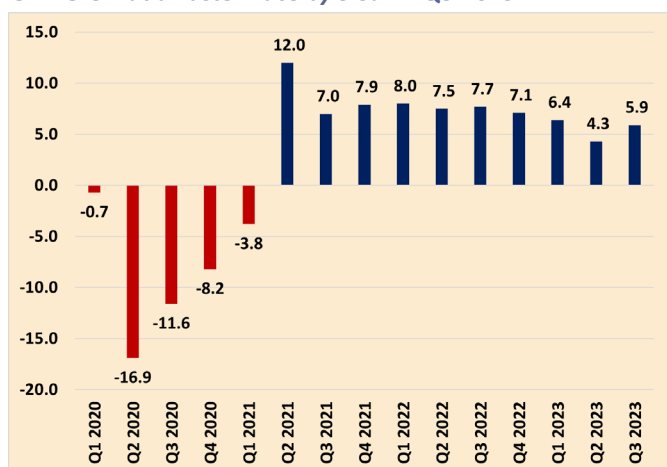
MACROECONOMY

Q3 GDP EXPANSION OF 5.9% AND OCTOBER INFLATION AT 4.9% SURPRISE MARKETS

The expansion of Gross Domestic Product (GDP) in Q3 of 5.9% and the large drop in October inflation to 4.9% surprised the domestic financial markets, as these widely exceeded expectations on the positive side. Government spending on current operations (+6.7% YoY) and on infrastructures (+26.9%) took the lead while household consumer final expenditures provided a solid base growth of 5.0%. The external sector also had a less negative balance which more than offset domestic demand of 3.9% weakened by elevated inflation. September’s Manufacturing output accelerated to 9.1% YoY from 6.8% a month ago, while Manufacturing PMI for October also took a faster pace at 52.4 from 50.6 in September. The peso-dollar rate stabilized at an average P56.81/\$1 in October.

Outlook: The growth momentum should continue in Q4, and so we think full year increase will remain respectable at 5.8% as infrastructure spending have gained traction, while consumer spending should improve with southbound inflation rate. Weaker crude oil prices have set in and this should offset possible gains in rice prices if output succumbs to El Nino. National Government (NG) debt will still rise in Q4 but the debt-to-GDP ratio should fall to 60.5% from 60.9% in 2022. The peso-dollar will likely strengthen temporarily in November-December as Overseas Filipino Workers’ (OFW) remittances swamp the foreign exchange market.

Figure 1 - GDP Growth Rates, Year-on-Year Growth Rates (in percentage)
GDP Grew at a Faster Pace by 5.9% in Q3-2023



Source of Basic Data: Philippine Statistics Authority (PSA)

GDP Expanded by 5.9% YoY in Q3 Handily Beating Market Expectations

The Philippine economy posted another quarter of expansion with a 5.9% year-on-year (YoY) growth in Gross Domestic Product (GDP) for Q3-2023, surpassing market expectations of 4.9% growth. Increased government spending played a significant role in driving this quarter's expansion, as all major sectors—Agriculture, Industry and Services—posted gains.

Elevated commodity prices and interest rates, however, restrained the momentum. Year-to-date (YTD), GDP growth is at 5.5%, still below the government’s target of 6% to 7% for the year. NEDA Secretary Arsenio Balisacan stated that the economy would have to grow by 7.2% in the final quarter in order to achieve the government’s annual target. Nonetheless, Gross National Income (GNI) grew twice as fast at 12.1% YoY in Q3-2023, as Net Primary Income (NPI) from the Rest of the World surged by 112.5% YoY.

Domestic demand accelerated in Q3-2023 with a +3.9% YoY uptick, while the lower deficit in the external account boosted overall GDP uptick. Contributing the most to this growth is the +6.7% surge in Government Final Consumption Expenditure (GFCE), marking a period of recovery from its -7.1% YoY contraction in the previous quarter, partially due to the increased spending for Barangay and Sangguniang Kabataan (SK) elections.

Table 1 - Labor Force Survey Summary

	August 2023	September 2023	MoM Change	
			Levels	% Change
Labor Force	50,287	49,929	(358)	-0.7%
Employed	48,073	47,666	(407)	-0.8%
Underemployed	5,630	5,112	(518)	-9.2%
Underemployment rate%	11.7	10.7	(0.99)	-8.4%
Unemployed	2,214	2,263	50	2.2%
Unemployment rate%	4.4	4.5	0.13	3.0%
Labor Participation rate%	64.7	64.1	(0.60)	-0.9%
Not in Labor Force	27,495	28,025	529	1.9%
Agriculture ('000)	11,787	10,250	(1,536)	-13.0%
Industry ('000)	8,759	8,608	(151)	-1.7%
Mining and Quarrying	169	245	77	45.4%
Manufacturing	3,703	3,556	(147)	-4.0%
Electricity, Gas, Steam, and Air-Conditioning Supply	43	161	117	270.4%
Water Supply; Sewerage, etc.	43	97	54	123.9%
Construction	4,800	4,548	(252)	-5.3%
Services ('000)	27,528	28,808	1,280	4.7%
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	9,810	9,961	151	1.5%
Transportation and Storage	3,492	3,717	225	6.4%
Accommodation and Food Services Activities	1,983	2,489	506	25.5%
Information and Communication	350	522	172	49.2%
Financial and Insurance Services	527	584	58	11.0%
Real Estate Activities	222	202	(20)	-9.0%
Professional, Scientific, and Technical Activities	425	413	(11)	-2.6%
Administrative and Support Services Activities	2,373	2,474	102	4.3%
Public Administration and Defense; Compulsory Social Security	2,684	2,888	204	7.6%
Education	1,608	1,617	9	0.6%
Human Health and Social Work Activities	802	691	(111)	-13.8%
Arts, Entertainment, and Recreation	463	407	(56)	-12.0%
Other Service Activities	2,787	2,833	46	1.7%

Source of Basic Data: Philippine Statistics Authority (PSA)

Household Final Consumption Expenditure (HFCE) came next with a +5% YoY increase, albeit slower than +8% a year ago and +5.5% in the previous quarter. The main drivers that propelled the growth in consumer spending include the Recreation & Culture (+15.4%), Restaurants & Hotels (+14.9%), and Transport (+14.5%) sectors.

Meanwhile, Gross Capital Formation (GCF) recorded a -1.6% YoY decline in Q3-2023 due to a further fall in inventories, while slowdown in Durable Equipment by +1.7% YoY from +11.9% in the previous year could not provide much support. Nonetheless, all subsectors turned in a green scorecard this quarter, with Construction (+12.4%) leading the pack.

Current account deficit also improved after falling by -12.9% YoY to P451.9-B due to exports of goods and services growing by +2.6% YoY compared to imports of goods and services, which slipped by -1.3%.

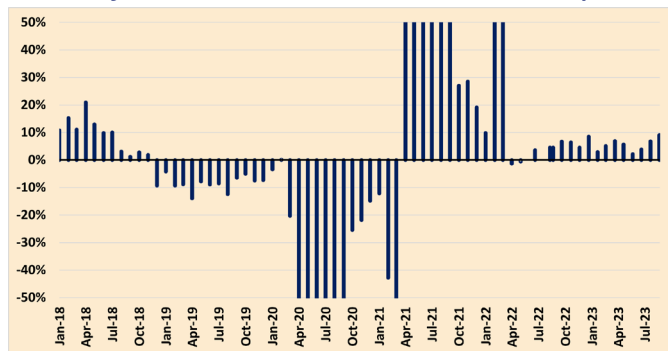
Viewed from the production side, the Services sector accelerated to a 6.8% YoY growth pace from 6.1% in Q2. The Industry sector also expanded faster at 5.5% from 2.1% in Q2. The Agriculture sector likewise improved to a 0.9% uptick from 0.2% in the previous quarter.

Double-digit surges in Accommodations & Food Services (+20.0%), Other Services (+16.3%) and Transportation & Storage (+11.6%) provided the biggest boost in the sector. All sub-sectors ended in the positive territory, with three sub-sectors growing at a faster pace, i.e. Financial & Insurance Activities (+9.5%), Information & Communication (+4.4%) and Real Estate & Ownership of Dwellings (+4.2%).

All sub-sectors of Industry trekked positively, led by Construction (+14.0%), followed by Electricity, Steam, Water & Waste Management (+7.0%). The Manufacturing sub-sector managed to edge up 1.7% YoY higher albeit a bit faster than 1.1% in Q2, while the Mining & Quarrying sub-sector returned to positive territory as firms increased output to offset decline in commodity prices.

On a seasonally adjusted (s.a.) basis, the country's GDP increased by +3.3% quarter-on-quarter (QoQ), as HFCE jumped by +4.8% QoQ. From the production side, all three major sectors registered positive performances with the Services sector (+3.8%) as the top gainer. While elevated interest rates might contribute to a slight slowdown of GDP in Q4-2023, households could offset this by picking up the pace with their spending this upcoming holiday season.

Figure 2 - Volume of Production Index
Volume of Production Index Soared to 9.1% YoY in September



Source of Basic Data: Philippine Statistics Authority (PSA)

Unemployment Rate Stable at 4.5% in September, Underemployment at Record Lows

After a strong recovery in August, total employment eased by -0.8% in September, and yet the unemployment rate proved stable at 4.5% only slightly off 4.4% in August. This took place due to the lower labor force participation rate of 64.1% from 64.7% a month earlier. The number of underemployed persons and the underemployment rate, however, reached record lows of 5.1-M and 10.4%, respectively.

The 1.3-M new jobs created by the Services sector nearly offset the 1.5-M fall in Agriculture sector employment. The Industry sector loss of 151,000 jobs added to the total drop since the two large subsectors—Construction and Manufacturing—shed jobs.

Three sub-sectors related to "revenge spending" contributed much to job growth in Services sector. Accommodation & Food Services hired additional 506,000, while Transportation & Storage, and Information & Communication took in 225,000 and 204,000 workers respectively. Notably eight out of the 13 Services sub-sectors posted gains.

In the Industry sector, early rains in September negatively impacted the Construction (-252,000) and Manufacturing (-151,000) subsectors. Utilities and Mining sub-sectors, however blunted those declines as they took in 117,000 and 77,000 workers, respectively.

The start of harvest season in rice-producing areas contributed to the lessening of workers in the Agriculture sector.

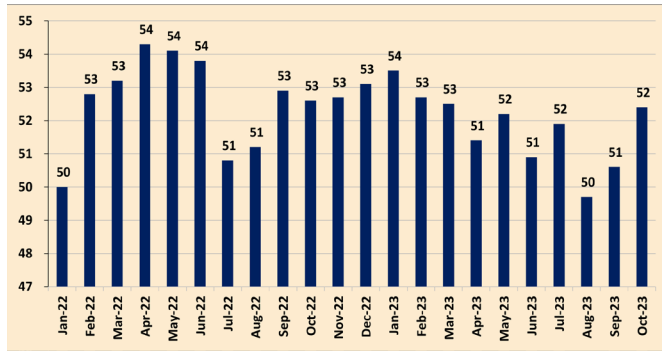
As the average weekly work hours remained at 40.8, the total man-hours for September of 1.9-B represented the third highest level in 2023.

Industrial Output Surged to 9.1% YoY in September while Manufacturing PMI Expanded in October

Industrial output as measured by the Volume of Production Index (VoPI) accelerated to 9.1% YoY in September, faster than the 6.8% increment in the previous month.

Out of the 22 industry divisions, eight registered positive YoY performances, led by Manufacture of Coke and Refined Petroleum Products (+78.6%), Manufacture of Electrical Equipment (+26.5%), and Printing and Reproduction of Recorded Media (+17.6%). These three industry divisions replicated their positive annual growth rates in August 2023.

Figure 3 - Manufacturing PMI
Manufacturing PMI Rose to 52.4 in October 2023

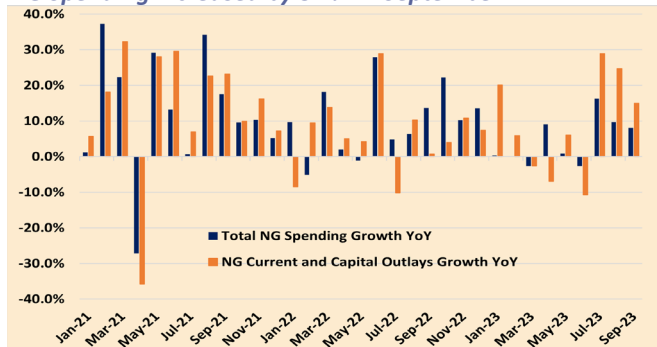


Source of Basic Data: S&P Global

Meanwhile, 14 industry divisions posted annual declines, led by Manufacture of Wearing Apparel (-35.8%), Manufacture of Fabricated Metal Products, Except Machinery and Equipment (-26.5%), and Manufacture of Machinery and Equipment Except Electrical (-24.7%). These three industry divisions also experienced declines in August 2023.

S&P Manufacturing PMI for the country climbed to 52.4 in October, a 7-month high from 50.6 in September, driven by the increase in new orders and robust production of local factories. This figure signaled the second consecutive month of expansion of the country's manufacturing sector since its contraction in August. While global headwinds and the delayed effects of BSP's monetary policy tightening remain a downside risk to the sector, local manufacturers maintain an optimistic view regarding their production in the upcoming months.

Figure 4 - NG Expenditures Growth Rate, Year-on-Year
NG Spending Increased by 8.1% in September



Source of Basic Data: Bureau of the Treasury (BTr)

NG September Deficit Ballooned to P250.9-B as Revenues Falter

National Government (NG) budget deficit soared to P250.9-B in September as Revenues slumped by -11.6% while Expenditures increased by 8.1%. The deficit represents a 39.6% YoY vault and drove YTD deficit to P1.0-T. This leaves the NG with an allowable deficit of P500.0-B for the last quarter of the year to meet its projected P1.5-T full year deficit.

Both tax and non-tax revenues faltered in September, with the former sliding by -8.4% and the latter by -35.9%. Below-target collections of the Bureau of Internal Revenue (BIR) by -12.4% YoY pulled down total tax take as the Bureau of Customs (BOC) had a minor -0.5% slippage. BIR's negative performance replicated those of August, after a huge surge in July.

On the expenditure side, total spending rose by 8.1%, even though Current Operating Expenses and Capital Outlays of NG jumped by 15.0%, the third consecutive month of double-digit increases. Accelerated spending on infrastructures by the Department of Public Works and Highways, and the social protection measures by the Department of Social Welfare and Department of Health pressed down on the disbursements pedal.

Table 2 - Major Contributors to Year-on-Year Inflation

Inflation Year-on-Year Growth Rates	Sept-2023	Oct-2023	YTD
	6.1%	4.9%	6.4%
Food and Non-Alcoholic Beverages	9.7%	7.0%	8.4%
Alcoholic Beverages and Tobacco	9.8%	9.3%	11.1%
Clothing and Footwear	4.7%	4.8%	4.9%
Housing, Water, Electricity, Gas, and Other Fuels	2.4%	2.6%	5.8%
Transport	1.2%	1.0%	2.0%
Restaurants and Accommodation	7.1%	6.3%	7.8%
Personal Care & Miscellaneous Goods and Services	5.4%	5.3%	5.5%

Note: **Green font** - means higher rate (bad) vs. previous month
Red font – means lower rate (good) vs. previous month

Source of Basic Data: Philippine Statistics Authority (PSA)

Inflation Slowed to 4.9% in October from 6.1% a Month Ago

Headline inflation in October slowed to 4.9% YoY to the pleasant surprise of market players whose consensus estimate of 5.6% and the Bangko Sentral ng Pilipinas’ own forecast of 5.1% to 5.9%. Food inflation led the southward move with a 7.0% YoY uptick from 9.7% a month ago, while Transport sub-index also eased to 1.0% YoY from 1.2% a month earlier. Eight out of 13 product categories slowed supporting the downward movement. YTD the inflation rate likewise slipped to 6.4% from 6.6% in the past two months.

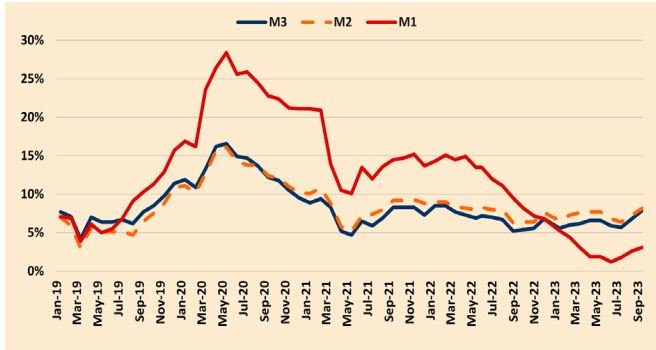
Growth rates in nine out of 11 food categories decelerated led by rice prices. The latter dove to 13.2% YoY from 17.9% a month earlier. Vegetable prices also calmed down to 11.9% from 29.6% as supply constraints diminished, while Sugar & Desserts sub-index rise likewise lessened to 4.9% from 9.0% a month earlier.

Despite public transport fare hikes in October, the Transport sub-index took a slower pace of 1.0% YoY from 1.2% in September as the fall in fuel prices more than offset the former. After crude oil prices slipped in October by -2.8% and -2.0% YoY for West Texas Intermediate (WTI, U.S. benchmark) and Brent (European benchmark), respectively.

On a seasonally adjusted basis, inflation slumped by -0.3% month-on-month (MoM) from +1.2% in September, as food inflation took a deeper dive to -1.3% MoM from +2.0% earlier. With these, we revised our full-year headline inflation rate (unadjusted) to 6.2%.

In the coming months, food price movements will likely dictate the pace of inflation since crude oil prices have tumbled by some 16.0% to hover around \$76/barrel (WTI) due to weak global demand. We now expect YoY inflation to go within the BSP’s 2.0%-4.0% target by Q1-2024, but may again exceed the ceiling if food prices remain elevated.

Figure 5 - M1, M2, M3 Growth Rates



Source of Basic Data: Bangko Sentral ng Pilipinas (BSP)

Money Supply (M3) Expanded to 7.9% YoY in September

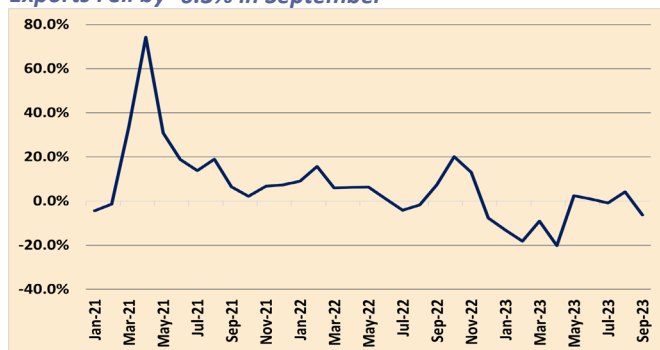
Domestic liquidity (M3) grew by 7.9% YoY to P16.6-T in September, a faster pace than 6.8% clocked in August. On a MoM seasonally adjusted basis, M3 increased by 1.0%.

Net foreign assets (NFA) in peso terms rose by 1.0% YoY in September, a slowdown from its 3.5% expansion in August. The Bangko Sentral ng Pilipinas' (BSP) NFA position also continued to increase by 2.3% in September from 3.2% in the previous month. Additionally, the NFA of banks fell on account of higher bills payable and foreign deposit liabilities.

Lending for production activities grew by 4.9% in September albeit slower than its 5.5% expansion a month ago, as outstanding loans to key industries grew, specifically Electricity, Gas, Steam, and Airconditioning Supply (+9.2%), and Information and Communication (+8.1%). Wholesale and Retail Trade, and Repair of Motor Vehicles and Motorcycles (+6.6%) also saw an increase in its loan availments.

Meanwhile, consumer loans rose by 23.5% in September from 23.1% in August, driven by the sustained increase in credit card and motor vehicle loans.

Figure 6 - Exports Growth Rates, Year-on-Year
Exports Fell by -6.3% in September



Source of Basic Data: Philippine Statistics Authority (PSA)

Table 3 - Exports Year-on-Year Growth Rates

	Aug-2023	Sept-2023	YTD
Total Exports	4.2	-6.3	-6.6
Agro-Based Products	-23.5	-7.2	-26.0
Mineral Products, of which	57.1	14.4	-3.9
Copper cathodes	414.0	14.1	-4.9
Others (incl. nickel)	11.6	-11.4	-19.4
Manufactured Goods	3.6	-8.2	-5.3
Electronic Products	6.1	-9.4	-5.5
Other Electronics	4.2	-5.5	9.5
Chemicals	15.5	50.8	-15.6
Machinery and Transport Equipment	-2.1	17.2	11.8
Processed Food and Beverages	-3.9	-11.3	-11.7
Others	3.3	-11.8	-3.9

Source of Basic Data: Philippine Statistics Authority (PSA)

Exports Slumped by -6.3% in September from Positive Territory in August

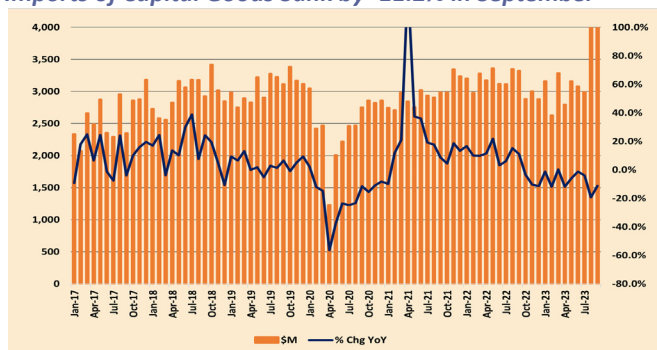
Exports drew back by -6.3% YoY in September, reversing its 4.2% YoY rise in August. In monetary terms, this amounted to \$6.7-B in September from \$7.2-B a year ago.

Four of the 10 major commodities expanded in September. Chemicals gained the most with a 66.4% YoY boost from last year. Machinery and Transport Equipment, and Cathodes and Sections Of Cathodes, Of Refined Copper also saw remarkable YoY increases with 17.2% and 14.1%, respectively. On the other hand, Other Manufactured Goods plunged the most in September by -15.1% YoY, followed closely by Other Mineral Products which declined by -11.4% YoY. The country's top export, Electronic Products, also slipped by -9.4% YoY.

By major types of goods, Petroleum Products took the top spot with 90.2% YoY uptick in September. Mineral Products also climbed by 14.4% YoY driven by the growth in shipments of Iron Ore Agglomerates (191.1%) and Copper Concentrates (158.8%). Meanwhile, Forest Products dipped the most by -21.0% YoY due to lower export sales of Plywood (-50.5%) and Lumber (-8.9%).

The U.S. remained in the number one spot of the country's top export destination with \$1.0-B in September. However, it dropped by -9.8% YoY, accounting for 15.8% of total exports. People's Republic of China came close with a 15.7% share in total exports, amounting to \$1.0-B. Furthermore, shipments to Japan totaled to \$898.9-M, earning the third spot with a 13.4% share.

Figure 7 - Imports of Capital Goods (in Million USD)
Imports of Capital Goods Sank by -11.2% in September



Source of Basic Data: Philippine Statistics Authority (PSA)

Table 4 - Imports Year-on-Year Growth Rates

	Aug-2023	Sept-2023	YTD
Total Imports	-13.1	-14.7	-10.2
Capital Goods	-19.3	-11.2	-7.3
Power Generating and Specialized Machines	-10.3	-10.6	3.2
Office and EDP Machines	-34.1	-24.2	-34.1
Telecommunication Equipment and Electrical Machines	-19.3	-19.8	-7.8
Land Transport Equipment excluding Passenger Cars and Motorized cycle	-15.2	15.2	4.0
Aircraft, Ships and Boats	-53.8	39.1	-14.6
Prof. Sci and Cont. Inst., Photographic Equipment and Optical Goods	-7.2	11.4	5.0
Raw Materials and Intermediate Goods	-18.9	-17.6	-15.8
Mineral Fuels, Lubricant and Related Materials	-6.4	-27.5	-18.6
Consumer Goods	4.0	1.9	8.8

Source of Basic Data: Philippine Statistics Authority (PSA)

Capital Goods Imports Contracted by -11.2% in September

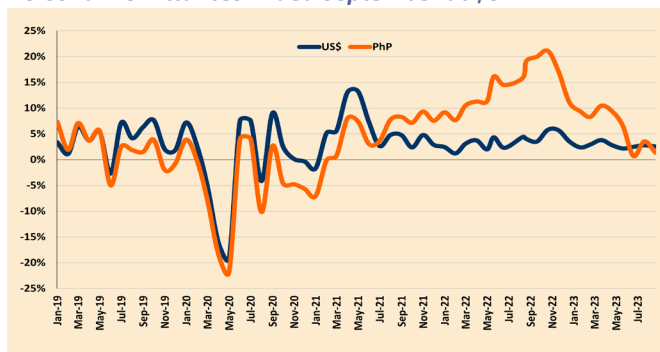
Imports of capital goods dove by -11.2% YoY to \$2.9-B in September from \$3.3-B in the previous year. This marks its 6th consecutive month of descent. On the other hand, total imports dipped further by -14.7% YoY in September to \$10.2-B from \$12.0-B last year.

Among the capital goods imports, Aircraft, Ships and Boats earned the top spot, surging by 39.1% YoY in September after its -53.8% YoY contraction last month. Land Transport Equipment excluding Passenger Cars and Motorized Cycle followed next with 15.2% YoY while Professional Scientific and Control Instrumentation, Photographic Equipment and Optical Goods inched up by 11.4% YoY. On the downside, Office & EDP Machines posted a sharp decrease of -24.2% in September, followed by imports of Telecommunication Equipment & Electrical Machinery which slipped by -19.8%.

Transport Equipment surged the most among the top import commodities in September with a 15.4% YoY gain. Cereals and Cereal Preparations came next with a 3.8% YoY uptick. Meanwhile, Mineral Fuels, Lubricants and Related Materials, and Electronic Products fell the most by -27.5% and -25.6%, respectively.

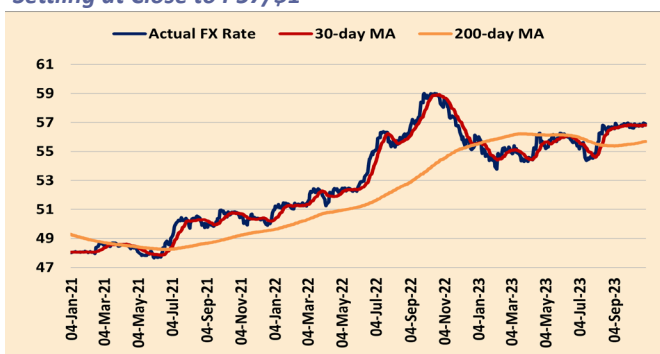
Given the steeper drop in imports compared to exports, the trade deficit in September improved to \$3.5-B. This reflects a -15% MoM reduction from August and a -31.5% YoY decrease from the same month in 2022.

**Figure 8 - OFW Remittances Growth Rates, Year-on-Year
Personal Remittances Ended September at \$3.2-B**



Source of Basic Data: Bangko Sentral ng Pilipinas (BSP)

**Figure 9 - Dollar-Peso Exchange Rates and Moving Averages
Settling at Close to P57/\$1**



Source of Basic Data: Bangko Sentral ng Pilipinas (BSP)

Table 5 - Exchange Rates vs USD for Selected Asian Countries

Exchange Rates vs USD for Selected Asian Countries			
	Sept-2023	Oct-2023	YTD
AUD	0.5%	0.9%	5.7%
CNY	0.3%	0.0%	4.7%
INR	0.7%	0.1%	0.6%
IDR	3.1%	1.6%	-1.6%
KRW	2.0%	-0.3%	5.5%
MYR	1.5%	1.1%	7.7%
PHP	0.5%	-0.3%	5.5%
SGD	1.1%	-0.1%	1.1%
THB	4.4%	-1.7%	3.2%

Note: **Green font** - means it depreciated, weaker currency
Red font – means it appreciated, stronger currency

Source of Basic Data: Bangko Sentral ng Pilipinas (BSP)

OFW Remittances Rose by 2.6% in September 2023

Personal remittances of Overseas Filipino Workers (OFW) grew by 2.6% to \$3.2-B in September. This brought the YTD remittances to \$27.2-B, a 2.8% increment from the same period last year. The increase in personal transfers during the year benefited from land-based workers which rose by 2.9% to \$2.51-B from \$2.44-B in the same period last year and sea-land based workers which rose by 1.2% to \$0.66-B from \$0.65-B in the same period last year.

On the other hand, cash remittances from OFWs coursed through banks grew by 2.6% to \$2.9-B from \$2.8-B in the same month a year ago. The increase in cash remittances from the United States (U.S.), Saudi Arabia, and Singapore led the growth in remittances for the first nine months of 2023. As for the country origin, the U.S. registered the highest share of overall remittances at 41.5% followed by Singapore, Saudi Arabia, Japan, United Kingdom, United Arab Emirates, Canada, Qatar, Taiwan, and Republic of Korea. The consolidated remittances from these top 10 countries accounted for 79.9% of the total cash remittances from January to September 2023.

Peso-Dollar Rate Stable in October

USDPHP hardly moved in October as it averaged P56.8089/\$1 from P56.8069 a month earlier, as it fluctuated in tandem with the U.S. dollar. PH's elevated inflation rate (6.1% YoY in September) and trade deficits prevented the peso from a clearly stronger moves. Across the region, four out of nine currencies appreciated against the U.S. dollar, led by the Thai baht (-1.7%) while the Malaysian ringgit lost the most value (-1.0% MoM).

The USDPHP rate has had a downside bias after the BSP implemented an off-cycle policy rate hike of 25 bps on October 26th.

Actual USDPHP rate remains well above the 200-day moving averages (MA) but is quite close to the 30-day MA. These suggest that the peso will remain under pressure, even though we may see a temporary strengthening during the Christmas season when OFW remittances bulge.

Outlook

Two major positive surprises emerged in early November—GDP expanding by 5.9% YoY in Q3 vs. market consensus of 4.9%, and headline inflation easing to 4.9% YoY in October vs. market expectations of 5.6%. These reflect the opposite of the brewing overly pessimistic outlook of analysts.

- The YoY gains across the three major sectors provided the impetus for the overperformance of GDP in Q3. The Services sector's acceleration to a 6.8% growth pace from 6.1% a quarter earlier counted on the double-digit YoY gains in Accommodations & Food Services, Other Services and Transportation & Storage. In addition, all sub-sectors in the Industry sector expanded. The view that the "revenge spending" has ended appears overstated.
 - While total employment slipped in September, the unemployment rate remained low at 4.5% a tad lower than 4.4% in August. The resurgent Services sector—driven by Accommodation & Food Services, Transportation & Storage, and Trade—added 1.3-M jobs to partly offset the 1.5-M drop in Agriculture and tended to support our view that "revenge" spending has only temporarily eased due to exceptionally high inflation rates.
 - NG spending in Q4 should remain robust despite the concern of the Department of Budget and Management's to keep the lid on the Debt-to-GDP ratio. We think the debt ratio will slide to 60.5% by end-2023, down from 60.9% in 2022.
 - October inflation rate screeched to 4.9% from 6.1% a month ago and makes the case for YoY inflation to get back to BSP's 2.0% to 4.0% target by Q1-2024. Weaker crude oil prices will aid in this downward trend, since WTI prices have plunged by some 20% since hitting a peak on September 27th, after Hamas rocketed Israel. Notably the rise from the same level as in mid-November of WTI prices took 79 days to peak, but only 41 days to fall to current levels. To be sure, rice prices still have an upside risk if the government fails to address the emerging El Nino droughts. Still, Transport and Food price indices have nearly equal weights at around 9% of CPI.
- Money growth should remain tepid since banks have become more risk averse in 2023 due to the elevated inflation. Thus, as inflation is definitely on a downward spiral, BSP may start cutting its policy rates by Q1-2024, since the latest off-cycle hike would prove too aggressive.
 - USDPHP has eased to below P56.00/\$1 by mid-November and this tendency should remain until early January 2024. Weak exports will likely offset battered crude oil prices.

All told, while the possibility of a slightly slower GDP uptick in Q4 exists, full year growth should hold at 5.8%, which still exceeds most forecasts.

FIXED INCOME SECURITIES

ELEVATED U.S. INTEREST RATE FOR LONGER AND BSP OFF-CYCLE HIKE SQUEEZE LOCAL DEMAND

Investor appetite for the \$1.26-B Retail Onshore Dollar Bond (RDB) issue by the Bureau of the Treasury (BTr) on October 11 and the Bangko Sentral ng Pilipinas' (BSP) off-cycle policy rate hike sucked liquidity resulting in a huge drop in demand for plain Government Securities (GS) auctions. The Tender-Offer Ratio (TOR) slumped to 1.423x in October from 2.091x a month earlier. Rising interest rates in the U.S. also drew higher bids from local investors in GS auctions and the secondary. This also showed in the latter where trading volumes plunged by -26.8% to P377.2-B MoM. ROPs spread over U.S. Treasuries mildly widened at the long end of the curve even though it climbed by 21.8% YoY.

Outlook: The issue of when the Fed will start cutting policy rates and by how much remains a big question mark. However, the weaker-than-expected job gain in October (+150,000), rising jobless claims in the last four consecutive weeks and MoM inflation rate at 0% in October (and 3.2% YoY from 3.7% a month ago) bring us to the side of those who think that those cuts may start as early as Q1-2024. Weak crude oil prices, despite renewed calls for production cuts in OPEC+, will likely blunt any increase in rice prices, and so YoY inflation should continue to fall into Q1-2024. While 10-year T-bond yields have slid close to 6.40% by mid-November, further reductions would depend on market conviction that the inflation downtrend has sufficient legs to stand on.

Table 6 - Auction Results

Date	T-Bond/ T-Bill	Offer (Php B)	Tendered (Php B)	Accepted (Php B)	Tendered ÷ Offered	Ave. Yield	Change bps
31 Oct	91-day	25.000	37.685	23.425	1.492	6.343	74.8
	182-day	25.000	35.142	20.930	1.437	6.462	49.4
	364-day	25.000	41.982	20.036	1.714	6.592	47.3
Subtotal		75.000	114.809	64.391	1.531		
10 Oct	10 year (FXTN 10-64)	30.000	40.828	30.000	1.361	6.512	9.2
17 Oct	7 year (FXTN 7-70)	30.000	46.058	30.000	1.535	6.675	30.5
24 Oct	10 year (FXTN 10-71)	30.000	48.872	30.000	1.629	6.954	44.2
31 Oct	10 year (FXTN 10-64)	30.000	26.899	0.000	0.897	0.000	
Subtotal		120.000	162.657	90.000	1.355		
All Auctions		195.000	277.466	154.391	1.423		

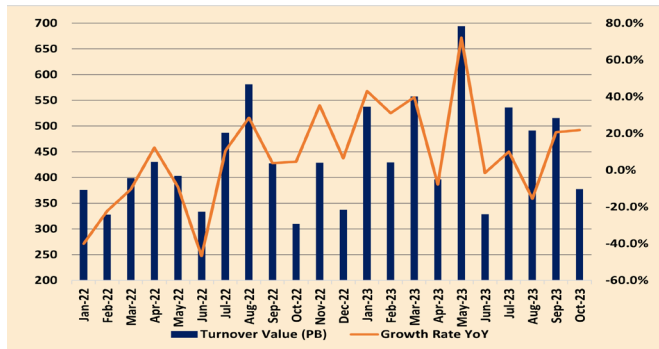
Source: Bureau of the Treasury (BTr)

GS Auctions: Lower Tenders with Retail Dollar Bond (RDB) Issue

The two main factors cited above curtailed demand for GS in BTr auctions for October. Not only did overall TOR slump, but the same metric for Treasury bills (T-bills) plummeted to 1.531x less than half of 3.254x in September. This appears logical since BSP continued to offer attractive rates for its Term Deposit Facility, since in October it paid an average of 6.76% on 28-day tenors. This had the effect of hurling up 91-day T-bills by 74.8 bps to end at 6.343%, albeit lower than the BSP facility. The 182-day and 364-day T-bill yields climbed a more synchronized fashion and fetched 6.462% and 6.592% in the last auction for October.

On October 11, BTr raised and listed with PDEX 5.5-Year Retail Onshore Dollar Bonds (RDB 2) worth \$1.26-B with a coupon of 5.75% p.a. Although aimed mostly at Philippine residents and OFWs, the NG will assume the final withholding tax on coupon payments, putting it at par (tax-wise) with ROPs. The total issuance exceeded 6x the target minimum amount of \$200-M.

**Figure 10 - Monthly Total Turnover Value (in Billion Pesos)
Secondary Market Trading Dropped by 26.8% MoM in October**



Source: Philippine Dealing Systems (PDS)

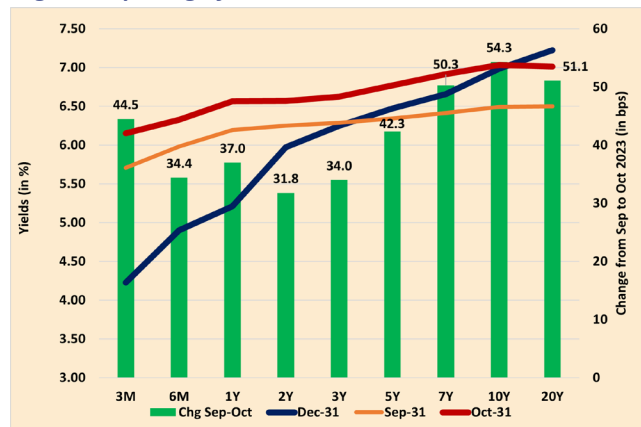
Secondary Market: Yields Climbed by 50 bps+ in Long End

With weaker demand for longer tenors due to fears of elevated interest rates in the U.S. remaining for a considerably extended period, yields in the long-term space soared. The 10-year Treasury bond (T-bond) yields climbed the most with +54.3 bps and ended the month at 7.033%, a 10-month high. The 20-year benchmark bonds followed with a +51.1 bps vault to 7.011%, while the 7-year tenor added 50.3 bps to 6.915%.

The negative outlook did not spare the shorter end of the curve, as yields in the 3-month to 3-year space surged by 31.4 bps (2-year bond yields) to 44.5 bps (the latter rise applies to 3-month yields end at 6.150%). The uptick in the rest of that end showed a 34 bps and 37 bps for the 3-year and 1-year tenors, respectively.

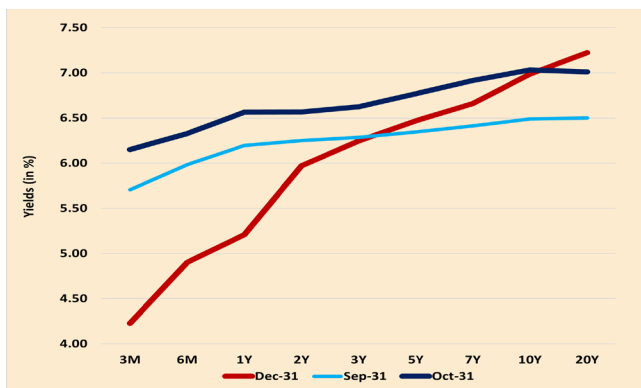
The yield curve steepened by 23 bps (i.e., measured by 10-year less 2-year yields) to total 47 bps by end-October. However, the real 10-year yield (end-October yield less October inflation) improved to 213.3 bps from 109 bps a month earlier.

**Figure 11 - Month-on-Month Changes on the GS Benchmark Bond Yield Curves (bps)
Slight Steepening of October Yield Curve**



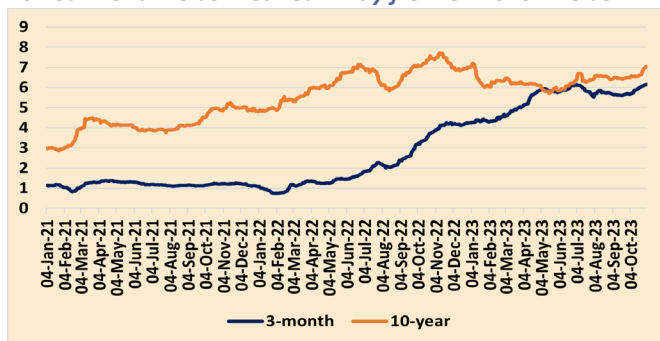
Sources: Bloomberg, First Metro Investment Corporation (FMIC)

Figure 12 - Year-end Yield Curve in 2022 and Latest Yield Curve Versus Previous Month in 2023



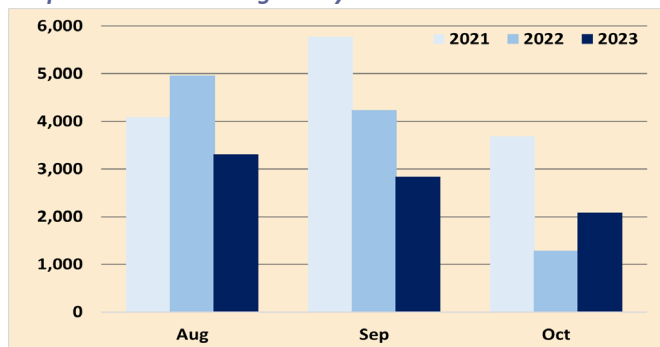
Sources: Bloomberg, First Metro Investment Corporation (FMIC)

Figure 13 - 3-month T-bonds and 10-year T-bonds Yields
10-Year Bond Yields Weaned Away from 3-Month Yields



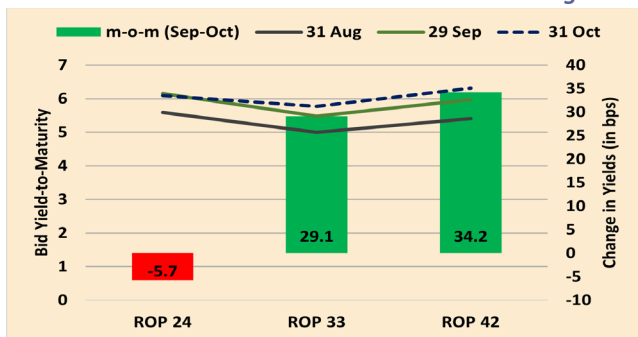
Source: Philippine Dealing Systems (PDS)

Figure 14 - Total Corporate Trading Volume (in Billion Pesos)
Corporate Bond Trading Fell by -26.3% MoM



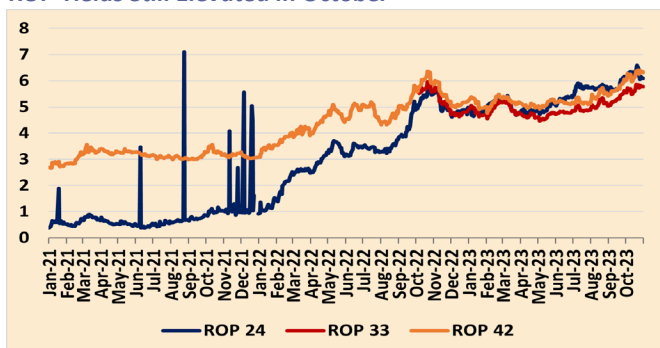
Sources: Bloomberg, Philippine Dealing Exchange (PDEX)

Figure 15 - ROPs Yield, Month-on-Month Changes (bps)
ROPs Yields Rose in Tandem with U.S. Trends in Long End



Source: Philippine Dealing Systems (PDS)

Figure 16 - ROPs Daily Yields
ROP Yields Still Elevated in October



Sources: Bloomberg, First Metro Investment Corporation (FMIC)

Corporate Bond Market: Fairly Weak Trading and No Issuances

The looming high interest rate environment took a toll on corporate bond issuances (zero in October) and secondary market trading. Trading reached P2.1-B, tumbling by -26.3% month-on-month (MoM) from P2.8-B. However, it did jump by 62.4% year-on-year (YoY), albeit from a very low base.

ROPs: Spreads Slightly Wider at Long End in October as Yields Climbed Faster than U.S. Treasuries

Yields for long maturities of Republic of the Philippines' U.S. dollar-denominated bonds surged by 29.1 to 34.2 bps but moderated from the previous month's steeper climb resulting in slightly wider spreads over equivalent U.S. Treasuries which rose as foreign investors expected prolonged high interest rates due to still robust economic data.

ROP-24 actually dropped by -5.7 bps to 6.091%. In contrast, ROP-33 and ROP-42 showed increases of 29.1 bps and 34.2 bps to 5.772% and 6.313%, respectively.

In contrast, 1-year U.S. Treasury bonds ended at 5.42% or just -2.0 bps lower than 5.44% in September. But 10-year and 20-year U.S. T-bonds both rose by 29 bps to reach 4.88% and 5.21%, respectively on end-October.

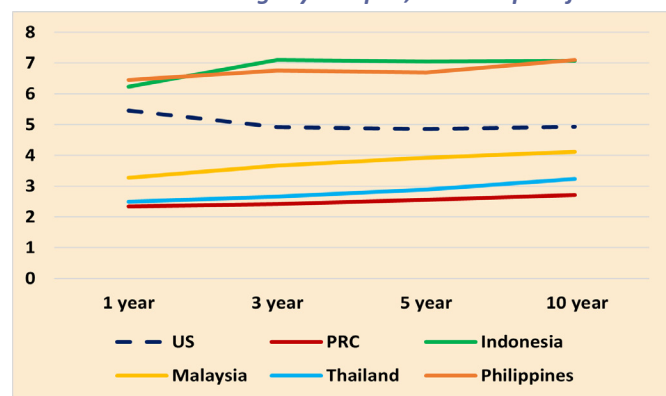
With ROPs practically mimicking movements in long U.S. Treasuries, spreads for the approximate 10-year and 20-year tenors marginally inched higher by 0.1 bps and 4.8 bps, respectively.

Table 7 - Spreads of ROPs over Equivalent U.S. Treasuries (bps)

Spreads of ROPs over Equivalent U.S. Treasuries (bps)			
Date	1-year	10-year	20-year
31-Aug	21.5	81.5	101.9
29-Sep	68.8	89.1	105.1
31-Oct	65.1	89.2	110.3

Sources: UA&P Direct Estimates from Federal Reserve Board, Philippine Dealing & Exchange Corporation (PDEX)

Figure 17 - Comparative Yield Curve Between ASEAN per Tenor ASEAN Yield Curves Slightly Steepen, but still quite flat



Sources: Asian Development Bank (ADB), Federal Reserve Board

ASEAN+1: Taking Cue from U.S. ASEAN Yield Curves Mostly Steepened a Bit

U.S.: Beating expectations, Q3-2023 GDP increased to 4.9% YoY, faster than its Q2-2023 growth of 2.1% YoY, as consumer spending expanded amid elevated interest rates. However, employment gains slowed to 150,000 in October from downward revised 297,000 a month ago. Thus, Consumer Confidence slipped further to 60.4 in November from 63.8 a month ago, the second lowest print for 2023.

The country’s manufacturing sector appears to recover as Manufacturing PMI rose to 50.0 in October from 49.8 in September. Meanwhile, the country’s annual inflation rate in October eased to 3.2% YoY from 3.7% in September, as seasonally adjusted inflation rate MoM flattened from 0.4% in the prior month. September balance of trade deficit slightly widened to \$61.5-B from \$58.7-B in the earlier month as exports inched up by 2.2% while imports rose modestly better by 2.7% to \$322.7-B. The Fed also kept its policy rate unchanged at 5.25% to 5.5% in its November 1st meeting.

The yield curve steepened but remained inverted at -19 bps (10-year less 2-year yields) in October from -44 bps in September.

CHINA: Following its 6.3% GDP growth in Q2, the economy slowed to 4.9% YoY in Q3-2023, as stimulus measures by the government remained tepid. The economy now faces a deflation risk as the annual inflation rate fell to -0.2% YoY in October following previous month’s flat reading, due to higher supply of agricultural products and lower consumption. Furthermore, factory activity moving forward showed experienced a minor contraction as the Caixin General Manufacturing PMI slid to 49.5 in October from 50.6 in September.

In October, exports declined by -6.4% to \$274.8-B while imports grew by 3.0% to \$218.3-B. With this, China’s trade surplus narrowed to \$56.5-B in October from \$82.3-B a year ago.

The People's Bank of China's (PBoC) 1-year medium-term lending facility (MLF) rate remains at 2.50% in November. The spread between 10-year and 2-year bond yields contracted by 10 bps to 34 bps in October.

INDONESIA: The economy expanded by 4.9% YoY in Q3-2023, its slowest growth in the past two years as exports declined and household consumption eased. Indonesia's manufacturing sector expanded for the 26th consecutive month in October as PMI grew to 51.5, albeit slower than 52.3 a month earlier. The country's inflation print increased to 2.6% in October from 2.3% a month earlier, driven by higher level of food and transport prices.

Outward shipments plunged by -10.4% YoY to \$22.1-B in October amid moderating commodity prices. On the other hand, imports marginally dropped by -2.4% YoY to \$18.6-B in October. As a result, trade surplus contracted to \$3.4-B in October from \$5.5-B in the previous year.

Meanwhile, Bank Indonesia (BI) deemed necessary to raise its key interest rate by 25 bps to 6.0% in its October 19 meeting to stabilize its local currency amid global uncertainty. The yield curve flattened by 24 bps to total 25 bps in October.

MALAYSIA: GDP bloated by 3.3% YoY in Q3-2023, propelled by the growth of its services, construction, and agriculture sectors. Manufacturing PMI stood at 46.8 in October, marking the 14th straight month of contraction in the manufacturing sector. On the inflation front, the country's annual inflation rate slightly eased to 1.9% YoY in September from 2.0% in August.

Exports and imports still posted double digit losses in September by -13.7% to MYR 124.5-B (\$26.6-B) and -11.1% to MYR 100.0-B (\$21.3-B). This brought the country's trade surplus to MYR 24.5-B (\$5.2-B) in September from MYR 31.8-B (\$6.7-B) in the prior year.

Bank Negara Malaysia (BNM) kept its policy rate unchanged at 3.0% in its November 2 meeting. The spread between 10-year and 2-year bond yields became steeper by 3 bps to 59 bps in October.

THAILAND: Deflation occurred as consumer prices in Thailand went down to -0.3% in October from 0.3% in September, driven by lower prices of food and non-alcoholic beverages. Meanwhile, the manufacturing sector contracted for the third consecutive month as Manufacturing PMI fell to 47.5 in October from 47.8 in September.

The country's exports rose by 2.1% to \$25.4-B in September. On the other hand, imports slipped by -8.3% to \$23.3-B in September. Consequently, this produced a trade surplus of \$2.1-B in September from its trade deficit of \$0.8-B a year earlier.

Meanwhile, Bank of Thailand's (BOT) policy rate remains at 2.50% since its September meeting. The yield curve steepened mildly by 3 bps to 65 bps in October.

Table 8 - Spreads Between 10-year and 2-year T-Bonds

Spreads between 10-year and 2-year T-Bonds									
Country	2-year Yields	10-year Yields	Projected Inflation Rates	Real 10-Year Yield	10-Year and 2-Year Spread (bps)		Spread Change (bps)	Latest Policy Rate	Real Policy Rate
					Sept-23	Oct-23			
U.S.	5.12	4.93	3.9	1.03	(44)	(19)	25	5.50	1.60
PRC	2.37	2.71	0.8	1.91	44	34	(10)	2.50	1.70
Indonesia	6.82	7.07	3.8	3.27	49	25	(24)	6.00	2.20
Malaysia	3.53	4.12	2.7	1.42	56	59	3	3.00	0.30
Thailand	2.58	3.23	1.5	1.73	62	65	3	2.50	1.00
Philippines	6.63	7.10	6.1	1.00	24	47	23	6.50	0.40

Sources: Asian Development Bank (ADB), The Economist & UA&P
 *1-year yields are used for PH because 2-year papers are illiquid

Outlook

To be sure, divergence of views on whether the Fed will raise policy rates in its December meeting or not still dogged the U.S. bond market. For us, signs of a faltering economy seem more prescient. Seasonally adjusted MoM inflation rate tumbled to 0% in October from 0.4% in the prior month, bringing down YoY inflation to 3.0% from 3.7% earlier. Besides, job creation in October slowed to 150,000 below consensus of 180,000 and the 10-year monthly average nearer 190,000. In addition, 4-week average jobless claims climbed for the 4th consecutive week to 220,250 by November 11 from 212,500 a week ago.

- U.S. 10-year bond yields have tumbled to around 4.45% by mid-November a huge drop from the peak of 4.98% on October 19. This now represents a higher real yield of 1.369% by mid-November from 0.89% at the end of September. When the Fed will start cutting rates remains a subject of contrasting opinion even among large banks. To be sure, we have to wait a few months to see which camp got it right. In view of the economy slowing down and WTI crude oil prices unable to go beyond \$77/barrel, we see little upside on those bond yields and so those yields will have small impact on PH bond yields.
- Domestically, inflation remains as the main driver of long-term bond yields. As pointed out in the Macroeconomy section we expect inflation to go down in the next four months even if rice prices remain elevated. Weak crude oil prices will likely offset its gains, while the rest of commodities will have a downward price bias. This, together with the fall in U.S. 10-year bond yields have driven local 10-year yields closer to 6.40%. Further drops will depend on how reliable this downward trend inflation will play out.
- NG has rejected a good amount of bids in its auctions despite only P213.0-B additional cash by the end of September. It has done an RDB and may borrow abroad again if local yields do not fall in as it would wish. Although we see increased borrowing in November this will only marginally affect the financial system which continues to wallow in liquidity. As of the end of October, bank funds parked in BSP's deposit facilities and BSP bills still remained high at P1.6-T. As of November 17, BSP's 28-day TDF fetched 6.83%, way above the 3-month GS bond yields.
- Corporate bond issuances will likely resume in Q1-2024, mainly to meet refinancing requirements. Secondary market trading will remain unremarkable.
- ROPs have tracked U.S. Treasuries movements in November. This will likely hold for the rest of the month since investors remain wary of market volatility.

EQUITY MARKETS

U.S. 10-YEAR BOND YIELDS REACHING 16-YEAR HIGH SCARE EQUITY INVESTORS

Global stock prices retreated in October as U.S. market players pushed U.S. 10-year Treasury bond (T-bond) yields to nearly 5.0% on October 19, the highest since July 2007 amidst fears that the Federal Reserve Board (Fed) would keep interest rates high for a longer than earlier expected. This resulted from a huge jump in employment reported in early October for September figures of 337,000 well above the 170,000 consensus. Thus, all counters, except for Malaysia, among the 12 global and regional markets we cover, posted negative performances albeit more pronounced in East Asia and Southeast Asia. PSEi sank by -5.5% to end October at 5,973.78. All six sectors of the PSEi turned red with Mining & Oil sector tumbling the most by -9.4% MoM. While the Property sector lost only -2.8%, the least among the sectors. AC Energy Corporation (ACEN) took the top spot as it gained by 7.9% MoM followed by PLDT, Inc. (TEL) which rose by 2.9%.

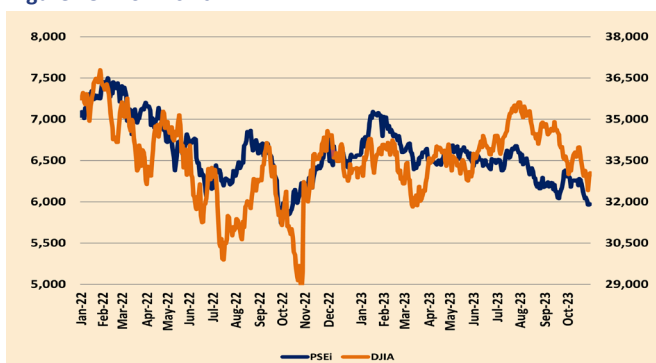
Outlook: Although PSEi breached the 6,000 mark by the end of October, lower inflation both here and abroad and faster-than-expected climb in GDP for Q3-2023 helped bring the index back above the strong support level. By mid-November, PSEi had recovered nearly 250 points from the bottom it reached on October 27. PSEi constituent firms have reported 17.0% YoY earnings in Q3 and 20.0% for first nine months of 2023 and have provided more optimism to investors. Despite easing 10-year domestic bond yields, investors may prefer to buy within the trading range of 6,000-6,300 to prepare for a robust rebound in 2024. But more favorable inflation and interest rates releases could still propel PSEi to close the year above 6,500. However, the slight (-0.005% points) underweighting of PH shares by MSCI (announced on November 14th) to take effect after the end of November could provide headwinds.

Table 9 - Global Equities Markets Performances

Global Equities Markets Performances				
Region	Country	Index	October M-o-M Change	2023 % Change
Americas	US	DJIA	-1.4%	-0.3%
Europe	Germany	DAX	-3.7%	6.4%
	London	FTSE 101	-3.8%	-1.7%
East Asia	Hong Kong	HSI	-3.9%	-13.5%
	Shanghai	SSEC	-2.9%	-2.3%
	Japan	NIKKEI	-3.1%	18.3%
	South Korea	KOSPI	-7.6%	1.9%
Asia-Pacific	Australia	S&P/ASX 200	-3.8%	-3.7%
Southeast Asia	Indonesia	JCI	-2.7%	-1.4%
	Malaysia	KLSE	1.3%	-3.6%
	Thailand	SET	-6.1%	-17.2%
	Philippines	PSEi	-5.5%	-9.0%

Sources: Bloomberg and Yahoo Finance

Figure 18 - PSEi vs DJIA

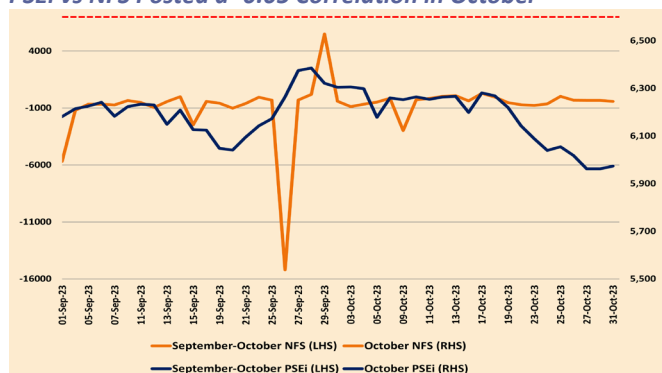


Sources: Wall Street Journal, Bloomberg

Global Picture. Most of our tracked global equities markets remained on the red, while only one performed positively in October. Malaysia KLSE recorded the highest upswing as it ended the month with a 1.3% month-on-month (MoM) uptick, which nearly offset its -1.9% loss a month ago. Meanwhile, South Korea KOSPI recorded the steepest decline with -7.6% MoM decline, followed by Thailand SET which tumbled by -6.1% MoM. On the other hand, Philippines PSEi recorded a -5.5% MoM loss to end October at 5,973.78.

PSEi and DJIA. The Dow Jones Industrial Average (DJIA) closed a volatile month of trading. DJIA ended October at 33,052.87. Meanwhile, PSEi finished the month at 5,973.78 from the previous month's close of 6,321.24. The correlation between the two indices in October went up to +0.71 from -0.50.

Figure 19 - PSEi vs Net Foreign Selling
PSEi vs NFS Posted a -0.05 Correlation in October



Sources: Bloomberg & Yahoo Finance

Table 10 - Monthly Turnover (in Million Php)

Monthly Turnover (in Million Pesos)				
Sector	Total Turnover		Average Daily Turnover	
	Value	% Change	Value	% Change
Financial	20,751.24	0.9%	988.15	0.9%
Industrial	26,616.91	-15.5%	1,267.47	-15.5%
Holdings	13,667.74	-77.8%	650.84	-77.8%
Property	12,237.31	-11.9%	582.73	-11.9%
Services	18,342.84	-24.4%	873.47	-24.4%
Mining and Oil	4,787.77	83.5%	227.99	83.5%
Total	96,403.81	-37.6%	4,590.66	-37.6%
Foreign Buying	44,911.06	-14.8%	2,138.62	-14.8%
Foreign Selling	54,616.21	-31.0%	2,600.77	-31.0%
Net Buying (Selling)	(9,705.15)	-63.3%	(462.15)	-63.3%

Source of Basic Data: PSE Quotation Reports

Table 11 - Top Foreign Buy in October (in Million Php)

Top Foreign Buy	
Company	Total Value
SMPH PM Equity	539.20
ACEN PM Equity	215.28
CNPF PM Equity	138.42
ALI PM Equity	64.14
PLUS PM Equity	53.01
Total Buy Value	1,010.04

Sources of Basic Data: Bloomberg, First Metro Investment Corporation (FMIC)

Net Foreign Buying/Selling. In terms of trading volume, only two sectors landed on the green, with the Mining and Oil sector leading the sector gainers having the largest uptick of +83.5% in October. In contrast, the Holdings sector led the sectors with negative trading performance with its -77.8% plunge in October.

Foreign investors still found themselves exiting the market in October to the tune of P9.7-B from net selling of P26.4-B a month earlier.

The top five favorite stocks (net buying) of foreign investors amounted to P1.0-B with SM Prime Holdings, Inc. (SMPH, P539.2-M) and AC Energy Corporation (ACEN, P215.3-M) leading the pack.

The top five favorite stocks (net selling) in October amounted to P3.0-B with Universal Robina Corporation (URC, P754.8-M) and Union Bank of the Philippines (UBP, P704.7-M) in the front rows.

All six sectors of PSEi turned in a negative performance which resulted to a -5.5% MoM tumble by PSEi in October. The Mining and Oil sector valuations fell by -9.4% MoM, emerging as the worst performer for the month. The Financial sector followed suit with an -8.0% MoM decline. Nevertheless, the Financial sector still turned in the best year-to-date (YTD) performance with its +4.1% increase.

Table 12 - Top Foreign Sell in October (in Million Php)

Top Foreign Sell	
Company	Total Value
URC PM Equity	-754.82
UBP PM Equity	-704.73
JFC PM Equity	-586.64
NIKL PM Equity	-558.36
MACAY PM Equity	-442.24
Total Sell Value	-3,046.79

Sources of Basic Data: Bloomberg, First Metro Investment Corporation (FMIC)

Table 13 - Monthly Sectoral Performance

Monthly Sectoral Performance					
Sector	29-September-2023		31-October-2023		2023 YTD
	Index	% Change	Index	% Change	
PSEI	6,321.24	2.4%	5,973.78	-5.5%	-9.0%
Financial	1,861.78	0.6%	1,712.36	-8.0%	4.1%
Industrial	8,915.66	2.6%	8,477.16	-4.9%	-9.3%
Holdings	6,033.57	2.2%	5,726.65	-5.1%	-11.0%
Property	2,613.61	4.2%	2,540.67	-2.8%	-13.2%
Services	1,508.29	0.5%	1,453.07	-3.7%	-11.1%
Mining and Oil	10,794.09	7.0%	9,782.95	-9.4%	-9.5%

Source of Basic Data: PSE Quotation Reports

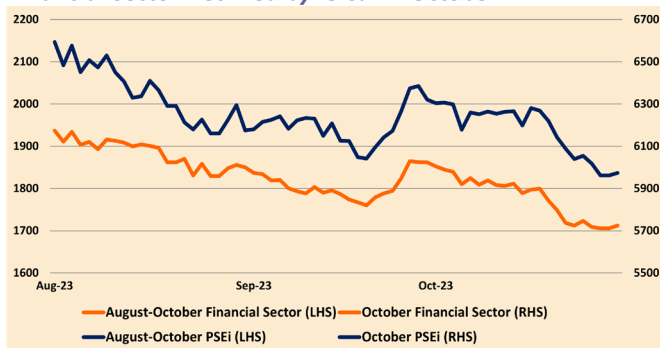
Table 14 - Financial Sector Constituent Stocks

Company	Symbol	9/29/2023 Close	10/31/2023 Close	M-o-M % Change	2023 YTD
Metropolitan Bank and Trust Company	MBT	54.00	52.30	-3.1%	-3.1%
BDO Unibank, Inc.	BDO	141.90	127.50	-10.1%	20.6%
Bank of the Philippine Islands	BPI	112.00	100.50	-10.3%	-1.5%

Source of Basic Data: PSE Quotation Reports

Figure 20 - Financial Sector Index (August 2023 - October 2023)

Financial Sector Declined by -8.0% in October



Source of Basic Data: PSE Quotation Reports

The Financial sector ranked fifth in the sectoral race, with an -8.0% MoM loss in October, wiping out its +0.6% increment a month earlier.

Bank of the Philippine Islands (BPI) share prices dipped the most by -10.3% MoM in October, handily reversing its +1.8% gain in the previous month. Nevertheless, BPI saw a remarkable +33.3% YoY increase in its Q3-2023 net income, reaching P13.5-B from P10.1-B, marking its highest quarterly earnings in the last 10 years. BPI attributed its growth to higher net interest income and non-interest income.

BDO Unibank, Inc. (BDO) share prices followed closely as it ended the month with a -10.1% MoM loss in October, after its +1.9% increment in September. BDO reported a YoY rise in its Q3-2023 net income by +16.4% to P18.7-B from P16.0-B in the same period last year due to growth of its core businesses. BDO also recently disclosed the assignment of Mr. Franklin Drilon as an independent director and the appointment of Mr. Ramon Vicente del Villar de Vera II to the position of senior vice president under the Office of the President.

Metropolitan Bank & Trust Company's (MBT) share prices contracted the least by -3.1% MoM in October, piling on top of its -2.2% loss a month ago. MBT recently declared that its Q3-2023 net income surged by +38.7% to P10.9-B from P7.8-B in the same period a year ago. MBT credited the boost in its earnings to its asset expansion, improving margins, and non-interest income growth.

Table 15 - Industrial Sector Constituent Stocks

Company	Symbol	9/29/2023 Close	10/31/2023 Close	M-o-M % Change	2023 YTD
Meralco	MER	368.00	355.00	-3.5%	18.8%
Jollibee Foods Corporation	JFC	229.40	205.00	-10.6%	-10.9%
Universal Robina Corporation	URC	118.90	109.30	-8.1%	-19.6%
AC Energy Corporation	ACEN	4.91	5.30	7.9%	-30.4%
Emperador Inc.	EMI	20.75	20.80	0.2%	1.0%
Monde Nissin Corporation	MONDE	9.03	8.20	-9.2%	-26.0%
Century Pacific Food, Inc.	CNPF	28.00	28.00	0.0%	8.5%

Source of Basic Data: PSE Quotation Reports

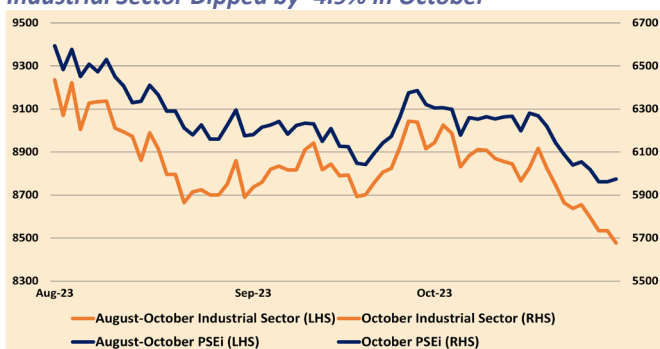
The Industrial sector index ranked third in the sectoral race, with a -4.9% MoM dip in October giving up its +2.6% increment in September.

AC Energy Corporation (ACEN) share prices soared by +7.9% MoM in October, after tumbling by -2.0% in September. ACEN, through its subsidiary Yindjibarndi Energy Corporation (YEC), recently signed a Memorandum of Understanding (MOU) with Rio Tinto to explore potential joint renewable energy projects in the Yindjibarndi country of Western Australia's Pilbara region with focus on establishing a solar power generation facility.

Monde Nissin Corporation (MONDE) share prices slumped by -9.2% MoM in October, partially reversing its +25.4% gain in the previous month. MONDE has an ongoing capacity expansion in Davao, which it anticipates to finish in 2024. The expansion encompasses the establishment of a bakery and biscuits facility for brands such as Butter Coconut and Monde Mamon. The company expects the expansion to start augmenting its bottom line by February 2024.

Meralco (MER) share prices followed suit with a -3.5% MoM decline in October, cutting into half its +7.1% increment in September. MER has commenced the search for bidders that will supply 1,800 megawatts (MW) of electricity in response to the increasing demand from its customers. This bidding process aims to secure new suppliers of electricity for the company to replace Excellent Energy Resources, Inc. and Masinloc Power Partners Co. Ltd. MER has set the deadline for bid submission on December 26.

Figure 21 - Industrial Sector Index (August 2023 - October 2023)
Industrial Sector Dipped by -4.9% in October



Source of Basic Data: PSE Quotation Reports

Table 16 - Holdings Sector Constituent Stocks

Company	Symbol	9/29/2023 Close	10/31/2023 Close	M-o-M % Change	2023 YTD
Ayala Corporation	AC	624.00	605.50	-3.0%	-12.9%
SM Investments Corporation	SM	843.50	801.00	-5.0%	-11.0%
Aboitiz Equity Ventures	AEV	50.15	45.80	-8.7%	-20.6%
GT Capital Holdings, Inc.	GTAP	570.00	549.00	-3.7%	26.2%
San Miguel Corporation	SMC	105.60	105.10	-0.5%	13.1%
Alliance Global Group, Inc.	AGI	12.32	10.60	-14.0%	-10.9%
LT Group, Inc.	LTG	9.00	8.85	-1.7%	-3.8%
JG Summit Holdings, Inc.	JGS	38.00	36.75	-3.3%	-26.9%
DMCI Holdings, Inc.	DMC	10.42	9.17	-12.0%	-23.6%

Source of Basic Data: PSE Quotation Reports

The Holdings sector ranked fourth in sector rankings in October with a -5.1% MoM fall, a reversal of its +2.2% uptick in September.

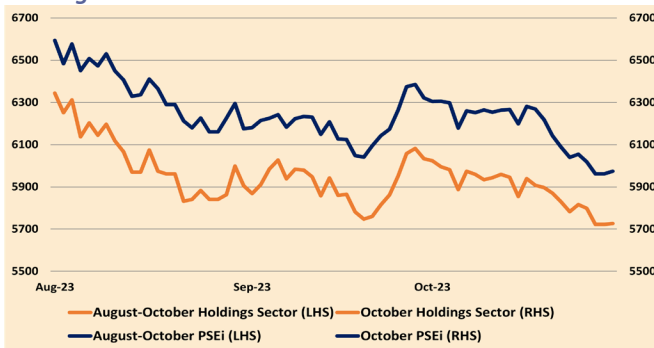
DMCI Holdings, Inc. (DMC) share prices went back to the red territory after registering a -12.0% MoM loss in October, wiping out its +7.9% gain a month ago. DMC experienced a -44.0% YoY slump in its net income for Q3-2023, dropping from P7.3-B to P4.1-B due to high base effect as well as weaker prices of coal and nickel. However, it declared a cash dividend of P0.72/ share on October 10 which doubles the dividends declared in April 2023, providing a dividend yield of 11.25% on its end-2022 share price. With its cash hoard DMC has set its eyes on infrastructure projects where it can participate as an equity investor and/or contractor.

Aboitiz Equity Ventures (AEV) also saw its share prices revert to the negative side with an -8.7% MoM performance in October, following a +6.7% gain in September. AEV recently disclosed that its Q3-2023 net income slipped by -21.0% YoY to P7.6-B from P9.6-B in the same period last year due to lower nonrecurring gains.

Ayala Corporation (AC) share prices declined by -3.0% MoM in October, giving up its +1.3% increment a month earlier. AC recently disclosed its declaration of fourth quarter cash dividend on its outstanding Preferred “A” shares (ACPAR) and Preferred “B” Series 2 shares (APB2R) amounting to P39.741875 and P6.02675 per share, respectively.

Unavoidably, San Miguel Corporation (SMC) share prices also slid by -0.5% MoM loss in October, a minor cut from its +1.1% increment last month. Nonetheless, SMC recently signed a Toll Concession Agreement as well as a Joint Venture Agreement with the provincial government of Pangasinan for the construction of a 76.8-kilometer Pangasinan Link Expressway (PLEX) that will connect its TPLEX project ending in Rosario, La Union to San Juan, La Union via Pangasinan.

Figure 22 - Holdings Sector Index (August 2023 - October 2023)
Holdings Sector Ended October with a -5.1% Loss



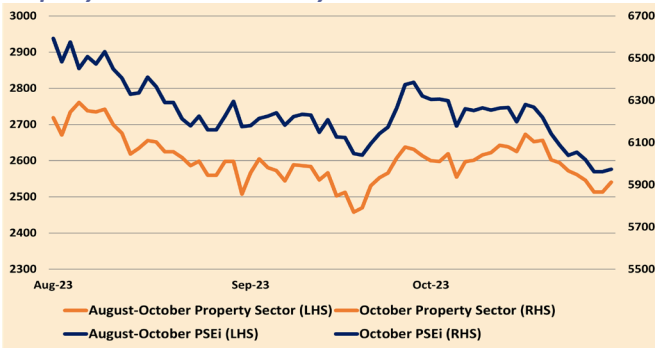
Source of Basic Data: PSE Quotation Reports

Table 17 - Property Sector Constituent Stocks

Company	Symbol	9/29/2023 Close	10/31/2023 Close	M-o-M % Change	2023 YTD
Ayala Land, Inc.	ALI	29.45	27.85	-5.4%	-9.6%
SM Prime Holdings, Inc.	SMPH	30.30	30.00	-1.0%	-15.5%

Source of Basic Data: PSE Quotation Reports

Figure 23 - Property Sector Index (August 2023 - October 2023)
Property Sector Contracted by -2.8% in October



Source of Basic Data: PSE Quotation Reports

Table 18 - Services Sector Constituent Stocks

Company	Symbol	9/29/2023 Close	10/31/2023 Close	M-o-M % Change	2023 YTD
PLDT, Inc.	TEL	1,176.00	1,210.00	2.9%	-8.1%
Globe Telecom	GLO	1,793.00	1,760.00	-1.8%	-19.3%
Converge ICT Solutions, Inc.	CNVRG	9.60	8.37	-12.8%	-47.3%
Puregold Price Club Inc.	PGOLD	28.90	27.10	-6.2%	-22.3%
Wilcon Depot, Inc.	WLCON	22.00	19.80	-10.0%	-32.9%
International Container Terminal Services, Inc.	ICT	207.20	201.20	-2.9%	0.6%
Bloomerry Resorts Corporation	BLOOM	10.10	9.11	-9.8%	19.1%

Source of Basic Data: PSE Quotation Reports

The Property sector took top honors in the sectoral race, declining only by -2.8% in October cutting into its +4.2% gain a month ago.

Ayala Land, Inc. (ALI) share prices suffered a -5.4% MoM slide in October, a minor offset from its +8.5% MoM gain in September. Nonetheless, ALI recently announced its declaration of regular cash dividend amounting to P0.2231 per common share for H2-2023, scheduled to be paid on November 24, 2023, thus, providing total dividends of P0.3726/share for the year, but only 1.2% yield on its end-2022 share price.

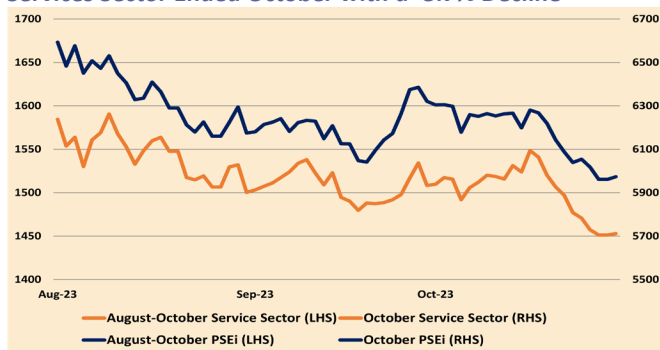
SM Prime Holdings, Inc. (SMPH) share prices followed suit with a -1.0% MoM loss in October, after its +3.8% uptick in September. SMPH recently unveiled its 85th mall in the Philippines called SM City Sto. Tomas, marking the fourth SM Supermall in the province of Batangas.

The Services sector ranked second in the sectoral race as it ended October with a -3.7% MoM decline, after posting a +0.5% uptick in September.

PLDT, Inc. (TEL) share prices landed on the green in October by +2.9% MoM, piling on top of its +2.3% gain a month earlier. TEL recently raised P2.8-B from its sale of 230 cell towers to Frontier Tower Associates Philippines Inc., enabling it to complete the first phase of its P12.1-B deal. The sale of its cellular towers is in line with TEL's move towards an asset-light balance sheet while ensuring superior network quality and improved customer experience. The company also entered a leaseback agreement with Frontier, further supporting this strategic move. TEL has paid a total of P108.00/share or some 8.2% dividend yield on its price at the end of last year.

Wilcon Depot, Inc. (WLCON) share prices remained in the red after experiencing a -10.0% MoM contraction in October, following its -0.9% loss a month earlier. WLCON's Q3-2023 net income fell by -17.7% YoY to P0.9-B from P1.1-B in the same quarter a year ago. WLCON attributed its decline to increased operational costs, despite seeing a rise in net sales. Nonetheless, the company remains committed to its network expansion strategy, aiming to open 10 new stores by the end of the year.

Figure 24 - Services Sector Index (August 2023 - October 2023)
Services Sector Ended October with a -3.7% Decline



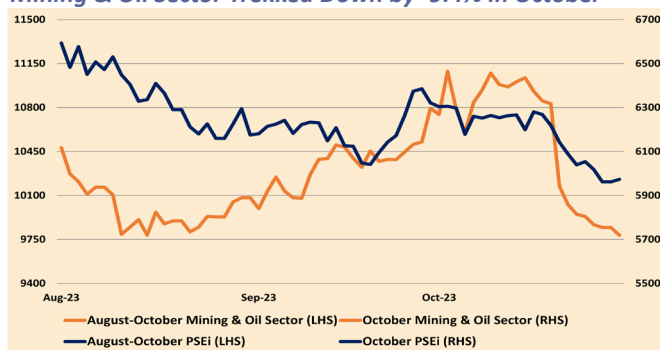
Source of Basic Data: PSE Quotation Reports

Table 19 - Mining and Oil Sector Constituent Stock

Company	Symbol	9/29/2023 Close	10/31/2023 Close	M-o-M % Change	2023 YTD
Semirara Mining and Power Corporation	SCC	34.90	29.00	-16.9%	-15.9%
Nickel Asia Corporation	NIKL	6.12	5.45	-10.9%	-6.7%

Source of Basic Data: PSE Quotation Reports

Figure 25 - Mining & Oil Sector Index (August 2023 - October 2023)
Mining & Oil Sector Trekked Down by -9.4% in October



Source of Basic Data: PSE Quotation Reports

Puregold Price Club, Inc. (PGOLD) share prices followed suit with -6.2% MoM slump in October, completely erasing its +3.6% gain in September. PGOLD registered a -2.7% YoY slippage of its net income for Q3-2023 to P2.21-B from 2.27-B in the same quarter last year due to higher operating expenses. Nevertheless, PGOLD has recently opened 30 additional Puregold stores, along with two S&R Membership Shopping Warehouse and two S&R New York Style QSR. PGOLD had a decent dividend yield of 2.5% based on its closing price in 2022.

International Container Terminal Services, Inc. (ICT) share prices also went down by -2.9% MoM in October, after a flat September. ICT continues its commitment to global expansion following the establishment of a multipurpose terminal in Indonesia aimed at serving the areas of Lamongan, Tuban, and the central Java hinterlands. ICT aims to start operations there by September next year.

The Mining & Oil sector ranked last in the sectoral race as it ended October with a -9.4% dip, reversing its +7.0% uptick in September.

Semirara Mining and Power Corporation (SCC) share prices turned in a negative performance at -16.9% MoM in October, wiping out its +9.1% gain a month ago. SCC reported a -66.0% dip in its Q3-2023 net income, amounting to P3.4-B from P10.1-B in the same quarter the prior year. The company linked the fall of its earnings to reduced coal prices, decreased shipments, and a decline in foreign exchange gains. On October 10, SCC declared a special P3.50/share cash dividend doubling the dividends declared in 2023 thus providing a whopping total dividend yield of 20.3% based on 2022 yearend price. Nickel Asia (NIKL) and Philex Mining (PX) also plunged as nickel and copper prices slumped, respectively.

Recent Economic Indicators

NATIONAL INCOME ACCOUNTS, CONSTANT PRICES (In Million Pesos)

	2021		2022		2nd Quarter 2023			3rd Quarter 2023		
	Levels	Y-o-Y G.R.	Levels	Y-o-Y G.R.	Levels	Q-o-Q G.R.	Y-o-Y G.R.	Levels	Q-o-Q G.R.	Y-o-Y G.R.
Production										
Agri, Hunting, Forestry and Fishing	1,775,209	-0.3%	1,783,499	0.5%	417,670	-6.1%	0.2%	410,293	-1.8%	0.9%
Industry Sector	5,551,621	8.5%	5,914,703	6.5%	1,554,914	6.0%	2.1%	1,351,011	-13.1%	5.5%
Service Sector	11,213,252	5.4%	12,245,429	9.2%	3,235,140	8.0%	6.1%	3,289,283	1.7%	6.8%
Expenditure										
Household Final Consumption	13,455,117	4.2%	14,570,218	8.3%	3,584,449	-3.0%	5.5%	3,682,451	2.7%	5.0%
Government Final Consumption	2,842,705	7.2%	2,981,663	4.9%	838,500	17.2%	-7.1%	745,138	-11.1%	6.7%
Capital Formation	4,051,799	20.0%	4,609,287	13.8%	1,349,911	19.6%	0.3%	1,056,561	-21.7%	-1.6%
Exports	5,129,672	8.0%	5,688,704	10.9%	1,421,446	3.4%	4.4%	1,571,141	10.5%	2.6%
Imports	6,939,209	12.8%	7,906,240	13.9%	2,022,466	1.7%	0.2%	2,023,100	0.0%	-1.3%
GDP	18,540,084	5.7%	19,943,630	7.6%	5,207,724	6.1%	4.3%	5,050,587	-3.0%	5.9%
NPI	639,321	-51.6%	1,133,700	77.3%	495,640	20.1%	90.7%	621,976	25.5%	112.5%
GNI	19,179,405	1.7%	21,077,331	9.9%	5,703,364	7.2%	8.6%	5,672,563	-0.5%	12.1%

Source: Philippine Statistics Authority (PSA)

NATIONAL GOVERNMENT CASH OPERATION (In Million Pesos)

	2021		2022		August-2023			September-2023		
	Levels	Y-o-Y G.R.	Levels	Y-o-Y G.R.	Levels	M-o-M G.R.	Y-o-Y G.R.	Levels	M-o-M G.R.	Y-o-Y G.R.
Revenues										
Tax	2,742,721	9.5%	3,220,315	17.4%	291,720	-16.3%	-5.8%	233,499	-20.0%	-8.4%
BIR	2,078,145	6.5%	2,335,674	12.4%	213,536	-21.8%	-6.7%	152,171	-28.7%	-12.4%
BoC	643,563	19.7%	862,420	34.0%	75,000	2.7%	-4.9%	78,897	5.2%	-0.5%
Others	21,013	33.7%	22,221	5.7%	3,184	37.5%	66.4%	2,431	-23.6%	16.3%
Non-Tax	262,464	-25.3%	324,082	23.5%	18,799	-70.2%	-17.2%	21,666	15.3%	-35.9%
Expenditures										
Allotment to LGUs	892,698	11.0%	1,103,284	23.6%	75,469	-1.7%	-31.1%	80,922	7.2%	-15.6%
Interest Payments	429,432	12.9%	502,858	17.1%	42,668	-32.9%	38.7%	71,448	67.5%	19.3%
Overall Surplus (or Deficit)	(1,670,100)	21.8%	(1,614,135)	-3.4%	(133,003)	178.2%	84.6%	(250,941)	88.7%	39.6%

Source: Bureau of the Treasury (BTr)

POWER SALES AND PRODUCTION INDICATORS

Manila Electric Company Sales (In Gigawatt-hours)

	2022		May-2023			June-2023		
	Annual Levels	Growth Rate	Levels	Y-o-Y G.R.	YTD	Levels	Y-o-Y G.R.	YTD
TOTAL	48,270.70	6.0%	4,531.50	7.6%	3.2%	4,581.80	4.0%	3.4%
Residential	17,140.40	1.4%	1,689.40	7.7%	0.5%	1,700.20	5.6%	1.5%
Commercial	17,052.40	14.1%	1,630.70	11.0%	10.6%	1,673.50	8.5%	10.2%
Industrial	13,296.80	3.1%	1,103.20	-1.8%	-4.1%	1,116.70	-6.6%	-4.5%

Source: Meralco

BALANCE OF PAYMENTS (In Million U.S. Dollar)

	2021		2022		1st Quarter 2023		2nd Quarter 2023	
	Levels	Y-o-Y G.R.	Levels	Y-o-Y G.R.	Levels	Y-o-Y G.R.	Levels	Y-o-Y G.R.
I. CURRENT ACCOUNT								
Balance of Trade	-5,943	-151%	-18,116	205%	-4,619	11.4%	-3,595	-54.9%
Balance of Goods	-52,806	56%	-69,682	32%	-17,183	8.9%	-16,040	-17.0%
Exports of Goods	54,228	12%	57,726	6%	12,772	-10.0%	13,803	-0.6%
Import of Goods	107,034	31%	127,408	19%	29,954	0.0%	29,843	-10.1%
Balance of Services	14,039	1%	15,879	13%	4,443	38.1%	4,241	43.4%
Exports of Services	33,570	5%	41,127	23%	10,813	24.4%	11,034	20.2%
Import of Services	19,531	9%	25,248	29%	6,370	16.3%	6,793	9.2%
Current Transfers & Others								
II. CAPITAL AND FINANCIAL ACCOUNT								
Capital Account	80	26%	0	-100%	18	-180.0%	18	-4.5%
Financial Account	-6,433	-7%	-12,896	100%	-6,379	37.3%	-1,981	-34.9%
Direct Investments	-9,732	199%	-5,380	-45%	-739	-54.1%	-1,326	-6.1%
Portfolio Investments	10,237	-709%	-1,309	-113%	-706	-1939.1%	823	-572.7%
Financial Derivatives	49	-125%	-48	-198%	20	3424.0%	-72	189.8%
Other Investments	-6,987	295%	-6,158	-12%	-4,955	61.3%	-1,406	-2.0%
III. NET UNCLASSIFIED ITEMS	774	-131%	-2,042	-364%	1,674	9256.3%	403	-69.3%
OVERALL BOP POSITION	1,345	-92%	-7,263	-640%	3,453	597.6%	-1,193	-66.8%
Use of Fund Credits								
Short-Term								
Memo Items								
Change in Commercial Banks	1,092	-86%	-3,109	-385%	-2,822	-1090.6%	-338	-74.7%
Net Foreign Assets	952	-88%	-2,839	-398%	-2,841	-604.9%	-205	-84.7%
Basic Balance	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a

Source: Bangko Sentral ng Pilipinas (BSP)

MONEY SUPPLY (In Million Pesos)

	2022		August-2023		September-2023	
	Average Levels	Y-o-Y G.R.	Levels	Y-o-Y G.R.	Levels	Y-o-Y G.R.
RESERVE MONEY	3,482,242	5.4%	3,322,191	-1.2%	3,634,851	4.3%
Sources:						
Net Foreign Asset of the BSP	6,423,727	2.0%	6,560,543	3.5%	6,403,069	1.0%
Net Domestic Asset of the BSP	15,667,570	10.2%	17,403,121	9.3%	17,624,851	9.5%
MONEY SUPPLY MEASURES AND COMPONENTS						
Money Supply-1	6,317,720	11.6%	6,473,677	2.6%	6,497,622	3.1%
Money Supply-2	14,877,668	7.8%	15,991,774	7.3%	16,112,634	8.2%
Money Supply-3	15,432,545	6.9%	16,459,860	6.8%	16,597,592	7.9%
MONEY MULTIPLIER (M2/RM)	4.28		4.81		4.43	

Source: Bangko Sentral ng Pilipinas (BSP)

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