

# GLOBAL ECONOMIC UPDATE

## PHILIPPINE INFLATION ACCELERATES TO 6.7%

Philippine headline inflation as measured by the consumer prices index or CPI rose to a 9-year high of 6.7% in September 2018, slightly below the consensus forecast of 6.8%. The latest number came after August's 6.4% reading. The main contributor to the general rise in prices was 9.7% increase in the food and non-alcoholic beverage index. The transport index also registered an 8% rise while alcoholic beverages and tobacco surged by 21.80%. In the coming months, inflation is expected to remain at elevated levels especially with the global price of crude rising by more than 10% in the past 2 weeks to above \$75 per barrel. Note that that the persistent rise in inflation may lead the BSP to hike its interest rates again by at least 25 basis points in its coming monetary policy decision.

PHILIPPINES INFLATION RATE



SOURCE: TRADINGECONOMICS.COM | PHILIPPINE STATISTICS AUTHORITY

**OCTOBER 8, 2018**

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## US UNEMPLOYMENT RATE DROPPED TO A 49-YEAR LOW

US jobs rose at a slower number of 134,000 in September versus the 185,000 projection and the 270,000 that it added in August (revised from 201,000) as Hurricane Florence depressed the hirings in the recent month. While non-farm payrolls cooled, US jobless rate nonetheless fell to a 49-year low of 3.7% in September, lower than the 3.8% forecast. This resulted to US 10-year yields rising to a 7-year high of 3.24%. Both the bond and equity markets in the US are expected to correct later on given the likelihood of further yield increases.



SOURCE: TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

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