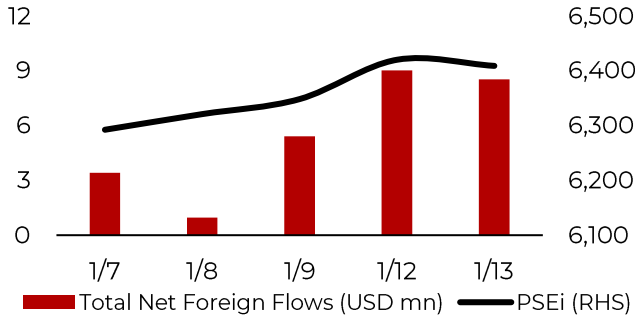


The Morning View

January 14, 2026

Philippine Stock Exchange Index

-0.17% DoD; Net foreign buying: \$8.52mn



	Level	DoD
PSEi	6,408.76	-0.17%
3-mo bond yield	4.80%	+0.21 bps
2-yr bond yield	5.30%	-0.05 bps
5-yr bond yield	5.72%	-0.52 bps
10-yr bond yield	6.03%	-0.24 bps
USDPHP	59.34	+0.14%
Oil (Brent, \$ / barrel)	65.47	+2.51%

The Department of Budget and Management cut the infrastructure spending target to 4.3% of gross domestic product (GDP) for 2026 (previously: 5.1%). Acting Budget Secretary Toledo said the lower target is approximately Php1.3 trillion in infrastructure outlays, signaling cautious spending aimed to restore confidence and streamline disbursements.

Aboitiz Equity Ventures (PSE Ticker: AEV), through its subsidiary Gold Coin Management Holdings, completed its acquisition of Singapore-based animal nutrition and health solutions company, Diasham Resources. The final purchase consideration remains subject to customary closing adjustments, including cash, working capital, and debt-related items.

Local equities dipped amid profit-taking and as investors weighed the slump in PH foreign direct investments in October. The PSEi closed at 6,408.76 (-0.17% DoD).

Local fixed income yields fell on strong demand for the Bureau of the Treasury's reissued 7-year Treasury bonds. On average, yields fell by 0.25 bps, with the 2Y closing at 5.30% (-0.05 bps) and the 10Y closing at 6.03% (-0.24 bps).

The **Philippine peso** weakened after geopolitical concerns rose following US President Trump's fresh tariff threats on any country that does business with Iran. The USD/PHP pair closed at 59.34 (+0.14% DoD).

US consumer price index (CPI) inflation was steady at 2.7% YoY in December, matching market's expectations. Main drivers for inflation were higher costs in food and rent, tempered by lower used vehicle and gasoline prices. Likewise, core CPI inflation was stable at 2.6% YoY, and came in cooler than the market's expectation of 2.7%.

Richmond Fed President Tom Barkin and St. Louis Fed President Alberto Musalem stated that inflation risks have begun moderating. Musalem added that monetary policy is around the neutral level and that there is little need to reduce policy rates further while inflation is still elevated.

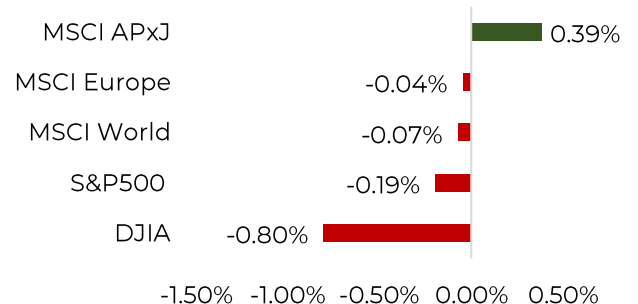
US equities fell on profit-taking after posting record-highs. This also followed the start of the 4Q25 corporate earnings reports in the US. JPMorgan was the first major firm to release results, which beat expectations but were overshadowed by a one-time charge weighing on earnings. The S&P 500 closed at 6,963.74 (-0.19% DoD), while the DJIA ended at 49,191.99 (-0.80% DoD).

US Treasury yields increased, and the **US dollar** strengthened as investors digested the US December CPI inflation, which stayed above the Fed's 2% target and signaled persistent price pressures.

On average, yields rose by 0.40 bps, with the 2Y closing at 3.54% (+0.10 bps) and the 10Y closing at 4.18% (+0.20 bps).

The DXY closed at 99.13 (+0.28% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,963.74	-0.19%
DJIA	49,191.99	-0.80%
3-mo US Treasury yield	3.65%	+2.60 bps
2-yr US Treasury yield	3.54%	+0.10 bps
5-yr US Treasury yield	3.75%	-0.30 bps
10-yr US Treasury yield	4.18%	+0.20 bps
DXY	99.13	+0.28%