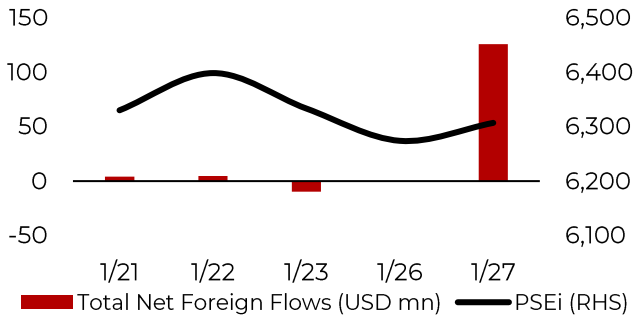


The Morning View

January 28, 2026

Philippine Stock Exchange Index

+0.53% DoD; Net foreign buying: \$125.71mn



| | Level | DoD |
|--------------------------|----------|-----------|
| PSEi | 6,306.90 | +0.53% |
| 3-mo bond yield | 4.75% | +0.78 bps |
| 2-yr bond yield | 5.24% | -1.30 bps |
| 5-yr bond yield | 5.71% | -2.38 bps |
| 10-yr bond yield | 6.04% | +0.25 bps |
| USDPHP | 59.09 | +0.19% |
| Oil (Brent, \$ / barrel) | 67.57 | +3.02% |

The Philippine Statistics Authority (PSA) reported that the Philippines' trade-in-goods deficit narrowed to a four-year low of \$49.17 billion in 2025, down by 9.5% YoY. The narrower trade deficit was driven by a double-digit growth in exports and a relatively flat growth in imports.

Manila Electric Company's (PSE Ticker: MER) customers may see higher electricity charges starting March, as the Energy Regulatory Commission approved Php31 billion in fuel cost recovery. The approved request allows MER and four generation companies to collect an additional Php0.2816 per kilowatt-hour. The recovery period may span 12-36 months or until the full amount is recovered.

Local equities rebounded on bargain-hunting after a two-day decline. Market sentiment was also lifted by the Asian Development Bank's view that PH economic growth could return to 6% by 2027. The PSEi closed at 6,306.90 (+0.53% DoD).

Local fixed income yields ended mixed ahead of the Fed's two-day policy meeting. On average, yields fell by 0.81 bps, with the 2Y closing at 5.24% (-1.30 bps) and the 10Y closing at 6.04% (+0.25 bps).

The **Philippine peso** weakened after US President Trump accused the parliament of South Korea of not enacting their trade deal, reigniting tariff threats. The USD/PHP pair closed at 59.09 (+0.19% DoD).

US President Trump said that he will soon announce his pick for Federal Reserve chairman and predicts interest rates to come down after. Candidates for the position include Director of the National Economic council Kevin Hassett, BlackRock's chief bond investment manager Rick Rieder, Fed Governor Christopher Waller, and former Fed Governor Kevin Warsh.

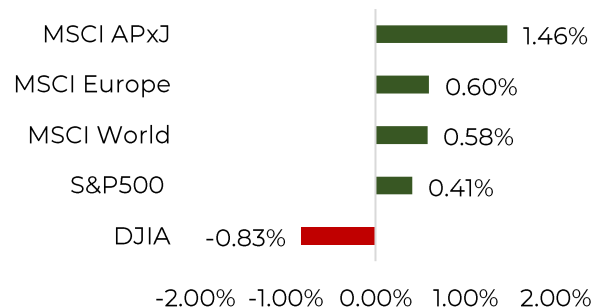
US Conference Board consumer confidence index plunged 9.7 points to 84.5 in January (Consensus: 91.0), the lowest since 2014 as households become more cautious on spending. More respondents also mentioned "war" in the write-ins following the geopolitical tensions over Venezuela, Iran, and Greenland.

US equities were mixed as investors positioned ahead of earnings results from large tech names and the Fed's policy decision this week. This was also after UnitedHealth's guidance of lower revenues in 1Q26. The S&P 500 closed at 6,978.60 (+0.41% DoD), while the DJIA ended at 49,003.41 (-0.83% DoD).

US Treasury yields closed mixed on cautious trading ahead of the Fed's policy decision this week. On average, yields rose by 1.37 bps, with the 2Y closing at 3.58% (-1.70 bps) and the 10Y closing at 4.25% (+3.20 bps).

The **US dollar** weakened amid fears of a partial government shutdown after Democrat Senators vowed to oppose the spending package that includes appropriations for the Department of Homeland Security. The DXY closed at 96.22 (-0.85% DoD).

Global Stock Indices



| | Level | DoD |
|-------------------------|-----------|-----------|
| S&P 500 | 6,978.60 | +0.41% |
| DJIA | 49,003.41 | -0.83% |
| 3-mo US Treasury yield | 3.65% | -1.10 bps |
| 2-yr US Treasury yield | 3.58% | -1.70 bps |
| 5-yr US Treasury yield | 3.83% | +0.70 bps |
| 10-yr US Treasury yield | 4.25% | +3.20 bps |
| DXY | 96.22 | -0.85% |

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