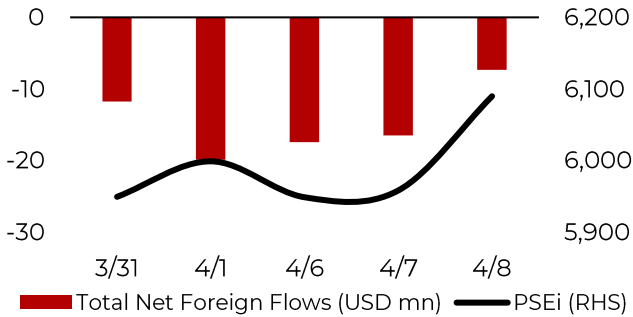


The Morning View

April 10, 2026

Philippine Stock Exchange Index

+2.22% DoD; Net foreign selling: \$7.35mn



S&P Global Ratings has lowered the Philippines' credit outlook to 'stable' from 'positive', citing heightened economic risks from the Middle East conflict. While it affirmed its BBB+ rating, the agency warned that soaring oil prices and supply chain disruptions could strain the country's fiscal health and dampen economic activity. A stable outlook indicates the current rating is unlikely to change over the next two years.

Manila Electric Company (PSE Ticker: MER) reported that 1Q25 energy sales declined by 1.8% YoY amid cooler weather and weaker industrial demand due to macroeconomic headwinds. Despite softer near-term volumes, MER reiterated its expectation of 3% YoY energy sales growth in FY26.

Local equities climbed, **local fixed income yields** tumbled, and the **Philippine peso** strengthened as markets cheered the announcement of a two-week ceasefire between the US and Iran, with hopes of reopening the Strait of Hormuz. Markets were closed on Thursday in observance of the Day of Valor.

Last Wednesday, the PSEi closed at 6,089.91 (+2.22% DoD).

On average, yields fell by 15.18 bps, with the 2Y closing at 5.75% (-16.18 bps) and the 10Y closing at 6.61% (-22.95 bps).

The USD/PHP pair closed at 59.43 (-1.49% DoD).

	Level	DoD
PSEi*	6,089.91	+2.22%
3-mo bond yield*	4.83%	-11.92 bps
2-yr bond yield*	5.75%	-16.18 bps
5-yr bond yield*	6.37%	-16.37 bps
10-yr bond yield*	6.61%	-22.95 bps
USDPHP*	59.43	-1.49%
Brent Oil (\$/barrel)	94.75	-13.29%

*As of April 8, 2026

US personal consumption expenditure (PCE) inflation was steady at 2.8% YoY in February (Jan.: 2.8%, Consensus: 2.8%).

Meanwhile, core PCE inflation eased to 3.0% YoY (Jan.: 3.1%; Consensus: 3.0%). Services inflation showed signs of cooling, primarily in healthcare, financial services, and recreational services, while inflation of durable goods costs, such as vehicles and electronics, rose due to tariffs.

US gross domestic product (GDP) growth in 4Q25 was revised downwards to a 0.5% QoQ annualized rate, from previously 0.7%, bringing the FY25 GDP growth rate to 2.1% YoY. This was driven by downward revisions to investments, including inventory accumulation. Moreover, growth in consumer spending was revised down amid slower purchases of both goods and services.

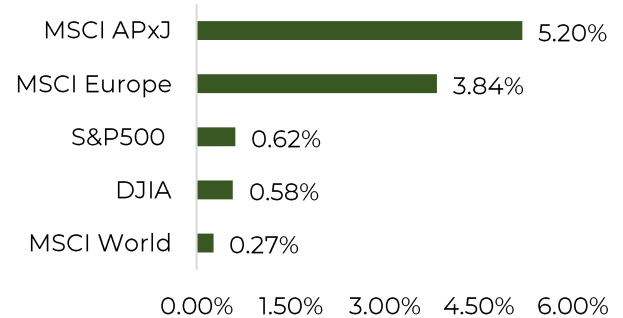
US equities rose, **US Treasury yields** declined, and the **US dollar** weakened as investors digested the slower February core PCE inflation, and the higher-than-anticipated weekly jobless claims of 219,000. This was also after Israel signaled it would enter direct negotiations with Lebanon after attacks threatened Iran truce.

The S&P 500 closed at 6,824.66 (+0.62% DoD), while the DJIA ended at 48,185.80 (+0.58% DoD).

On average, yields fell by 1.65 bps, with the 2Y closing at 3.78% (-1.70 bps) and the 10Y closing at 4.28% (-1.80 bps).

The DXY closed at 98.82 (-0.32% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,824.66	+0.62%
DJIA	48,185.80	+0.58%
3-mo US Treasury yield	3.68%	-1.00 bps
2-yr US Treasury yield	3.78%	-1.70 bps
5-yr US Treasury yield	3.90%	-2.60 bps
10-yr US Treasury yield	4.28%	-1.80 bps
DXY	98.82	-0.32%

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