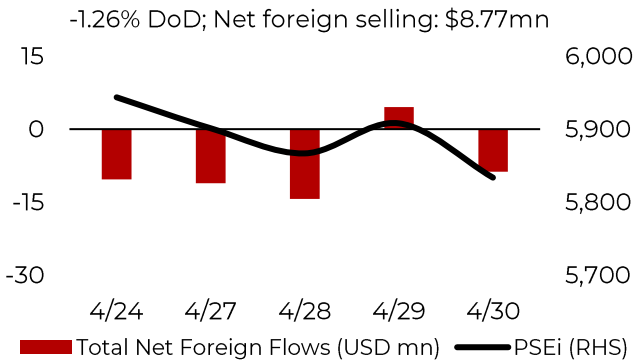


# The Morning View

May 4, 2026

## Philippine Stock Exchange Index



	Level	DoD
PSEi	5,833.64	-1.26%
3-mo bond yield	4.62%	+9.33 bps
2-yr bond yield	6.05%	+9.19 bps
5-yr bond yield	6.87%	+14.59 bps
10-yr bond yield	6.96%	+11.66 bps
USDPHP	61.49	-0.13%
Brent Oil (\$/barrel)	114.01	-3.41%

As of April 30, 2026

**US Personal Consumption Expenditures (PCE) inflation climbed to 3.5% YoY in March (February: 2.8%), while core PCE inflation, which excludes volatile food and energy components, rose to 3.2% YoY (February: 3.0%).** Both readings aligned with market expectations but stayed above the Fed's 2% target. The acceleration reflects surging input costs and gasoline prices amid the Iran war.

**US GDP expanded by an annualized QoQ rate of 2.0% in 1Q26 (4Q25: +0.5%), below market's expectations of 2.3%.** The weaker-than-expected growth reflected softer consumer spending and a surge in imports. Meanwhile, these were offset by higher business investments related to Artificial Intelligence, and a rebound in government spending.

**US equities** closed mixed, and **US Treasury yields** were mixed after the in-line March PCE inflation, the below-consensus 1Q26 GDP growth, and a steady April US ISM manufacturing index of 52.7 but fell short of forecasts (Consensus: 53.2).

The S&P 500 closed at 7,230.12 (+0.29% DoD), while the DJIA ended at 49,499.27 (-0.31% DoD).

On average, yields rose by 0.21 bps, with the 2Y closing at 3.88% (+0.70 bps) and the 10Y closing at 4.37% (-0.20 bps).

The **US dollar** strengthened as trade tensions resurfaced following President Trump's threat to raise tariffs on European automobile imports to as high as 25%. The DXY closed at 98.16 (+0.10% DoD).

**A BusinessWorld poll showed that economists expect the Philippine economy to lose momentum and only grow by 3.4% in 1Q26 (1Q25: 5.4%; 4Q25: 3.0%).** The softer growth reflects subdued household purchasing power, constrained government spending, fragile business confidence, and rising energy prices.

**Ayala Land, Inc. (PSE Ticker: ALI) reported a 22% YoY drop in 1Q26 net income to Php5.4 billion, as weakness in property development weighed on results but partially offset by growth in the leasing and hospitality units.** ALI reduced its 2026 capital expenditures target to around Php50 billion, down from its initial Php70–80 billion guidance, citing shifting market conditions.

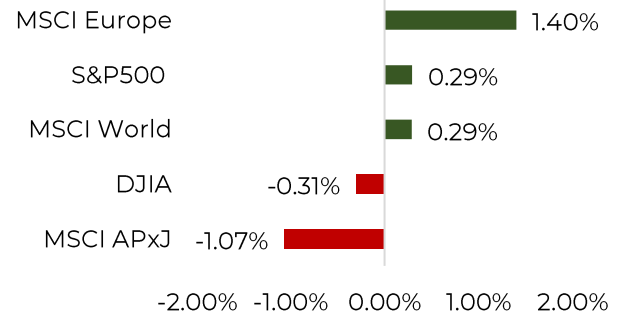
Last Thursday, **local equities** fell, **local fixed income yields** rose, and the **Philippine peso** slightly strengthened after the Bangko Sentral ng Pilipinas' (BSP) forecasted that April inflation is likely to settle within the 5.6% to 6.4% range, raising expectations of further rate hikes. The local bourse was also weighed by a slew of corporate earnings which came in below market expectations. Markets were closed on Friday amid the Labor Day holiday.

The PSEi closed at 5,833.64 (-1.26% DoD).

On average, yields rose by 8.80 bps, with the 2Y closing at 6.05% (+9.19 bps) and the 10Y closing at 6.96% (+11.66 bps).

The USD/PHP pair closed at 61.49 (-0.13% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	7,230.12	+0.29%
DJIA	49,499.27	-0.31%
3-mo US Treasury yield	3.67%	-0.50 bps
2-yr US Treasury yield	3.88%	+0.70 bps
5-yr US Treasury yield	4.02%	+0.90 bps
10-yr US Treasury yield	4.37%	-0.20 bps
DXY	98.16	+0.10%

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