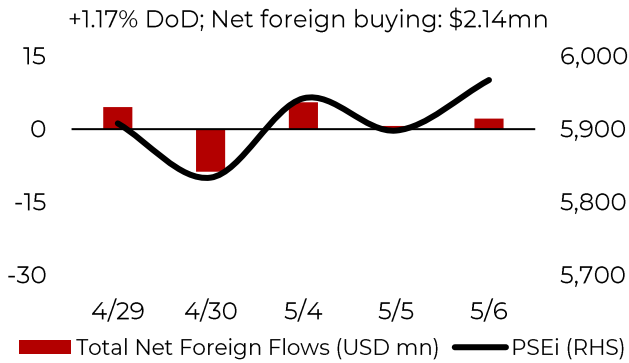


# The Morning View

May 7, 2026

## Philippine Stock Exchange Index



|                       | Level    | DoD        |
|-----------------------|----------|------------|
| PSEi                  | 5,967.21 | +1.17%     |
| 3-mo bond yield       | 4.74%    | +5.10 bps  |
| 2-yr bond yield       | 6.30%    | +9.20 bps  |
| 5-yr bond yield       | 7.29%    | +14.40 bps |
| 10-yr bond yield      | 7.50%    | +18.11 bps |
| USDPHP                | 61.31    | -0.40%     |
| Brent Oil (\$/barrel) | 101.27   | -7.83%     |

**The Philippine Statistics Authority (PSA) reported that the Philippine unemployment rate rose to 5.0% in March (March 2025: 3.9%),** as the number of jobless Filipinos jumped to 2.58 million. Meanwhile, the underemployment rate fell to 12.3% (March 2025: 13.4%). The PSA noted that the oil crisis has put pressure on the labor market, particularly in fishing and aquaculture.

**Monde Nissin Corporation (PSE Ticker: MONDE) posted a 1Q26 core net income of Php3.3 billion (+30% QoQ, +11% YoY), as price hikes and cost-saving measures cushioned margin pressures.** Branded revenues rose 8.6% YoY on higher volumes and price adjustments, while Meat Alternative sales grew by 11.7% on a reported basis, aided by favorable forex translation.

**Local equities** rose and the **Philippine peso** strengthened amid optimism over reports that the US and Iran are nearing a peace agreement, which also led to a drop in global oil prices. Meanwhile, **local fixed income yields** rose as investors continue to anticipate further rate hikes after the Bangko Sentral ng Pilipinas said that it will take “necessary action” to keep prices stable.

The PSEi closed at 5,967.21 (+1.17% DoD).

On average, yields rose by 11.05 bps, with the 2Y closing at 6.30% (+9.20 bps) and the 10Y closing at 7.5% (+18.11 bps).

The USD/PHP pair closed at 61.31 (-0.40% DoD).

**Federal Reserve officials Alberto Musalem and Austan Goolsbee, who are 2027 voters, both signaled that the balance of risks has moved toward persistent inflation.** Goolsbee characterized the US-Iran conflict and surging energy prices as an inflationary shock that directly pressures consumer costs. Meanwhile, Musalem noted the shifting balance of risks to inflation may require interest rates to stay on hold for some time or even move higher.

**The US and Iran are weighing a potential deal to end the war.** The US has presented a one-page memorandum of understanding to Iran, which includes gradually reopening the Strait of Hormuz and lifting the US blockade on Iranian ports. Meanwhile, detailed negotiations over Iran's nuclear program would come later in the process. Iran is expected to send a response in the next two days.

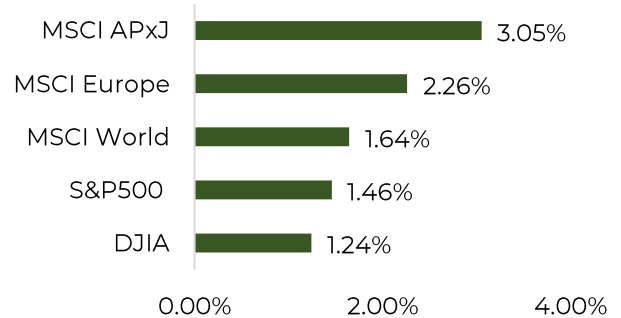
**US equities** jumped to new record highs, **US Treasury yields** fell, and the **US dollar** weakened amid reports of Iran reviewing the US proposal to end the war. This was also after Trump paused military efforts to guide vessels through the Strait of Hormuz and said that progress has been made towards an agreement with Iran.

The S&P 500 closed at 7,365.12 (+1.46% DoD), while the DJIA ended at 49,910.59 (+1.24% DoD).

On average, yields fell by 5.07 bps, with the 2Y closing at 3.87% (-7.90 bps) and the 10Y closing at 4.35% (-7.50 bps).

The DXY closed at 98.02 (-0.43% DoD).

## Global Stock Indices



|                         | Level     | DoD       |
|-------------------------|-----------|-----------|
| S&P 500                 | 7,365.12  | +1.46%    |
| DJIA                    | 49,910.59 | +1.24%    |
| 3-mo US Treasury yield  | 3.69%     | -0.10 bps |
| 2-yr US Treasury yield  | 3.87%     | -7.90 bps |
| 5-yr US Treasury yield  | 4.00%     | -8.20 bps |
| 10-yr US Treasury yield | 4.35%     | -7.50 bps |
| DXY                     | 98.02     | -0.43%    |

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