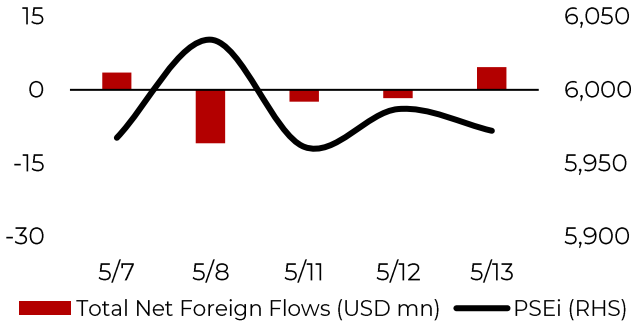


The Morning View

May 14, 2026

Philippine Stock Exchange Index

-0.42% DoD; Net foreign buying: \$4.64mn



	Level	DoD
PSEi	5,946.78	-0.42%
3-mo bond yield	4.92%	+3.14 bps
2-yr bond yield	6.71%	+18.46 bps
5-yr bond yield	7.29%	+13.48 bps
10-yr bond yield	7.51%	+13.48 bps
USDPHP	61.38	-0.16%
Oil (Brent, \$ / barrel)	105.63	-1.99%

President Marcos imposed a Php50 per kilo price cap on imported rice for 30 days. The cap may be lifted earlier upon recommendation from the National Price Coordinating Council (NPCC). The measure follows the NPCC's earlier recommendation in March, which aimed to curb "unreasonable price increases" and prevent market abuse amid price shocks affecting essential goods.

Manila Electric Company (PSE Ticker: MER) announced a marginal downward adjustment in electricity rates for May, ending a three-month streak of increases. The overall rate will decrease by Php0.0151 per kilowatt-hour (kWh) to Php14.3345 per kWh. For households consuming 200 kWh, the adjustment translates to a decrease of about Php3.0 in monthly electricity bills.

Local equities fell as investors remained cautious amid mixed corporate earnings and the upcoming Trump-Xi meetings later this week. The PSEi closed at 5,946.78 (-0.42% DoD).

Local fixed income yields jumped amid minimal volume, with investors remaining wary of potential further rate hikes due to higher inflation expectations. On average, yields rose by 8.47 bps, with the 2Y closing at 6.71% (+18.46 bps) and the 10Y closing at 7.51% (+13.48 bps).

The **Philippine peso** strengthened amid profit-taking and possible intervention from the Bangko Sentral ng Pilipinas. The USD/PHP pair closed at 61.38 (-0.16% DoD).

US producer price index (PPI) inflation rose by 6.0% YoY in April (Revised March: 4.3%; Consensus: 4.8%), marking the largest gain since December 2022. This larger-than-anticipated increase can be attributed to a sharp rise in energy prices amid ongoing Middle East tensions, as well as a rise in trade services costs reflecting the impact of tariffs implemented a year ago.

US President Donald Trump and Chinese President Xi Jinping are set to hold talks in Beijing on Thursday. The meeting is expected to focus on preserving the US-China trade truce reached in October 2025, as well as considering tariff cuts on \$30 billion worth of imports of non-sensitive goods. The talks are also seen to include the Iran war and the US' arms sales to Taiwan.

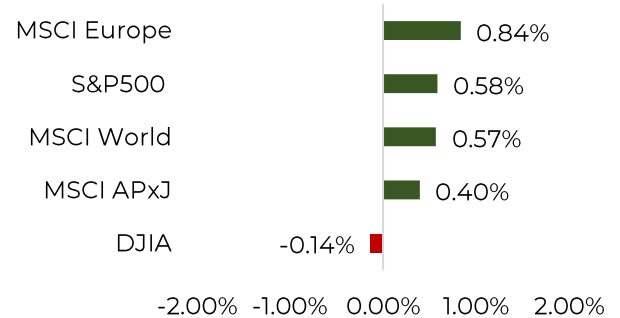
US equities and **US Treasury yields** closed mixed, while the **US dollar** strengthened following the higher-than-expected US April PPI inflation print. Investors also turned their focus on the two-day Trump-Xi summit in Beijing. Nonetheless, equities were supported by the market's continued optimism on artificial intelligence.

The S&P 500 closed at a fresh high of 7,444.25 (+0.58% DoD), while the DJIA ended at 49,693.20 (-0.14% DoD).

On average, yields fell by 0.07 bps, with the 2Y closing at 3.98% (-1.10 bps) and the 10Y closing at 4.47% (+0.60 bps).

The DXY closed at 98.46 (+0.16% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,444.25	+0.58%
DJIA	49,693.20	-0.14%
3-mo US Treasury yield	3.69%	-0.50 bps
2-yr US Treasury yield	3.98%	-1.10 bps
5-yr US Treasury yield	4.12%	-0.90 bps
10-yr US Treasury yield	4.47%	+0.60 bps
DXY	98.46	+0.16%

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