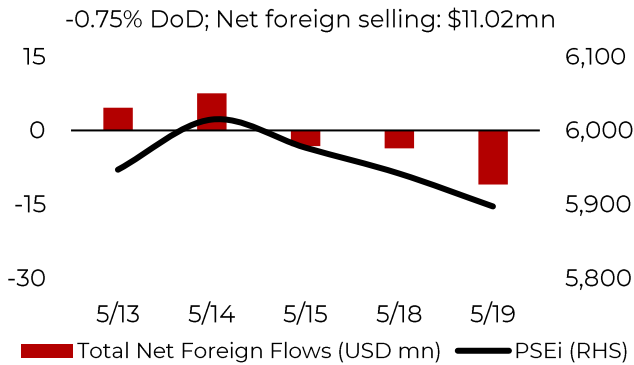


The Morning View

May 20, 2026

Philippine Stock Exchange Index



	Level	DoD
PSEi	5,896.80	-0.75%
3-mo bond yield	5.00%	+3.57 bps
2-yr bond yield	6.94%	+14.70 bps
5-yr bond yield	7.45%	-3.02 bps
10-yr bond yield	7.79%	+14.38 bps
USDPHP	61.75	0.00%
Oil (Brent, \$ / barrel)	111.28	-0.73%

The Philippines' Balance of Payments (BoP) deficit narrowed to \$2.124 billion in April amid stable dollar inflows from remittances and the services sector. However, the year-to-date deficit still widened to \$7.411 billion from \$5.516 billion in the same period a year ago. Meanwhile, gross international reserves fell to \$104.3 billion as of end April, enough to cover 6.9 months of imports.

JG Summit Holdings, Inc.'s (PSE Ticker: JGS) airline arm, Cebu Air Inc. (PSE Ticker: CEB) has announced plans to resume its direct Manila-Dubai flight operations by July 2026. The budget carrier had previously extended its route suspensions through the end of May due to heightened geopolitical tensions and severe airspace restrictions across the Middle East.

Local equities fell and the **Philippine peso** closed flat as investors remained cautious amid the lingering uncertainty surrounding the ongoing Middle East conflict. Meanwhile, **local fixed income yields** rose after the Bureau of the Treasury rejected all bids for the reissued seven-year bonds it auctioned off as investors demanded higher yields.

The PSEi closed at 5,896.8 (-0.75% DoD).

On average, yields rose by 4.15 bps, with the 2Y closing at 6.94% (+14.70 bps) and the 10Y closing at 7.79% (+14.38 bps).

The USD/PHP pair closed at 61.75 (0.00% DoD).

The United Nations (UN) lowered its 2026 global economic growth forecast to 2.5% from its January projection of 2.7%, citing heightened uncertainty from the Middle East crisis. Given this, global inflation is now projected to accelerate to 3.9% this year, from the previous estimate of 3.1%. Nonetheless, growth will be supported by resilient labor markets and consumer demand, as well as expanding artificial intelligence (AI) trade and investment.

Philadelphia Fed President Anna Paulson, a 2026 Fed voting member, stated that monetary policy is appropriate at the moment. She added that it is "healthy" for markets to consider scenarios involving either an extended hold or a pivot to monetary tightening.

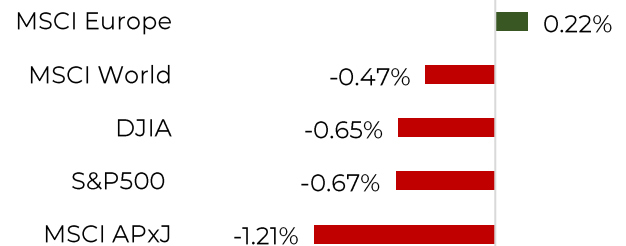
US equities fell as **US Treasury yields** surged on the back of persistent worries over rising inflation amid the ongoing US-Iran war. Meanwhile, the **US dollar** strengthened on the market's mounting expectations that the Federal Reserve would shift to monetary policy tightening.

The S&P 500 closed at 7,353.61 (-0.67% DoD), while the DJIA ended at 49,363.88 (-0.65% DoD).

On average, yields rose by 4.95 bps, with the 2Y closing at 4.12% (+7.40 bps) and the 10Y closing at 4.67% (+7.90 bps).

The DXY closed at 99.33 (+0.14% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,353.61	-0.67%
DJIA	49,363.88	-0.65%
3-mo US Treasury yield	3.66%	+0.70 bps
2-yr US Treasury yield	4.12%	+7.40 bps
5-yr US Treasury yield	4.33%	+9.10 bps
10-yr US Treasury yield	4.67%	+7.90 bps
DXY	99.33	+0.14%

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