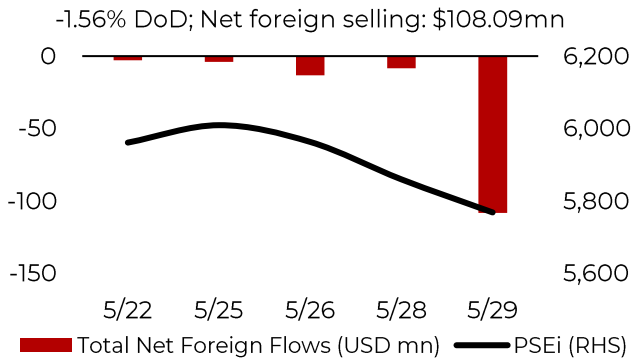


The Morning View

June 1, 2026

Philippine Stock Exchange Index



	Level	DoD
PSEi	5,768.76	-1.56%
3-mo bond yield	4.99%	-2.01 bps
2-yr bond yield	6.80%	-5.35 bps
5-yr bond yield	7.34%	-3.74 bps
10-yr bond yield	7.52%	-1.48 bps
USDPHP	61.59	-0.01%
Oil (Brent, \$ / barrel)	92.05	-1.77%

The Bangko Sentral ng Pilipinas (BSP) projected May inflation to settle within 7.1% to 7.9%, driven by higher prices of rice, vegetables, meat, and the peso depreciation. However, several factors including lower fuel, fish, and electricity costs are seen to temper the increase. Meanwhile, a BusinessWorld poll showed that economists see inflation at 7.9%.

ACEN Corporation (PSE Ticker: ACEN) secured a long-term contract with the Australian government for its solar and battery storage project. The agreement states that ACEN will receive revenue protection where revenue below a set floor is covered by the Australian government, while earnings above a ceiling are shared with the government.

Local equities declined, **local fixed income** fell, and the **Philippine peso** was flat as investors awaited further developments on the tentative 60-day US-Iran ceasefire deal, which still requires the approval of US President Trump. The local bourse was also weighed down by net foreign outflows amid the latest MSCI index rebalancing.

The PSEi closed at 5,768.76 (-1.56% DoD).

On average, yields fell by 3.54 bps, with the 2Y closing at 6.8% (-5.35 bps) and the 10Y closing at 7.52% (-1.48 bps).

The USD/PHP pair closed at 61.59 (-0.01% DoD).

The US and Iran exchanged messages over the weekend proposing revisions to a draft agreement aimed at extending a ceasefire and reopening the Strait of Hormuz. The deal would also require Iran to suspend its nuclear program in exchange for access to frozen funds, though progress remains unclear. Meanwhile, US President Trump has reportedly proposed tougher terms to Iran, which may take up to three days to respond.

US goods trade deficit narrowed more than expected by 3.4% MoM to \$82.4 billion in April (Consensus: \$87.0 billion). This was driven by a 4.0% rise in exports, led by capital goods, consumer merchandise, and record shipments of industrial supplies such as crude oil and petroleum products. Meanwhile, imports rose by 1.9%.

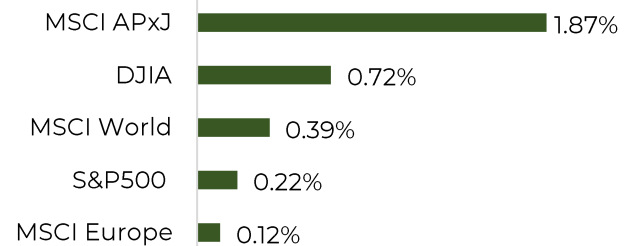
US equities rose to new record highs as tech stocks rallied after Dell Technologies reported a first-quarter beat on revenues and earnings. The S&P 500 closed at 7,580.06 (+0.22% DoD), while the DJIA ended at 51,032.46 (+0.72% DoD).

US Treasury yields inched down, and the **US dollar** slightly weakened as investors continued to monitor developments in the US-Iran negotiations.

On average, yields fell by 0.54 bps, with the 2Y closing at 4.01% (-1.90 bps) and the 10Y closing at 4.44% (-1.00 bps).

The DXY closed at 98.94 (-0.08% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,580.06	+0.22%
DJIA	51,032.46	+0.72%
3-mo US Treasury yield	3.68%	-0.20 bps
2-yr US Treasury yield	4.01%	-1.90 bps
5-yr US Treasury yield	4.14%	-1.30 bps
10-yr US Treasury yield	4.44%	-1.00 bps
DXY	98.94	-0.08%