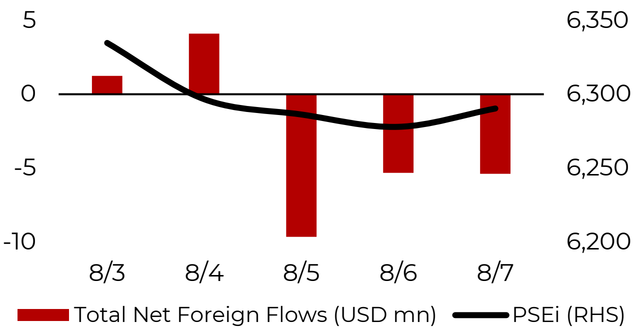
The Morning View

August 10, 2026

Philippine Stock Exchange Index

+0.20% DoD; Net foreign selling: $5.39mn



	Level	DoD
PSEi	6,290.35	+0.20%
3-mo bond yield	5.03%	+0.87 bps
2-yr bond yield	6.52%	-3.13 bps
5-yr bond yield	7.11%	+1.25 bps
10-yr bond yield	7.27%	+2.99 bps
USDPHP	60.90	+0.14%
Oil (Brent, $ / barrel)	83.55	+1.29%

PH Gross Domestic Product (GDP) growth slowed to 2.3% YoY in 2Q26 (1Q26: +2.8%, Consensus: +2.9%), its weakest pace since the -3.8% drop in 1Q21. Growth was largely dragged by investments, reflecting the lingering impact of the flood control controversy. Additionally, household consumption remained subdued due to higher inflation and weak consumer sentiment. The 2Q26 print brought the year-to-date average to 2.6%, below the government's 3.5% to 4.5% growth target for the year.

Manila Electric Co. (PSE Ticker: MER) will implement a refund of Php0.59/kilowatt-hour for residential customers this August following the Energy Regulatory Commission (ERC)'s approval. This forms part of the Php9.5 billion ERC-approved refund and is expected to offset higher reserve market charges, increased feed-in-tariff allowance, and approved pass-through recoveries.

Local equities closed flattish, **local fixed income yields** were mixed, and the **Philippine peso** slightly weakened as investors digested the country's weaker-than-expected 2Q26 GDP growth of 2.3% and the new record-high debt-to-GDP ratio of 66%.

The PSEi closed at 6,290.35 (+0.20% DoD).

On average, yields rose by 0.26 bps, with the 2Y closing at 6.52% (-3.13 bps) and the 10Y closing at 7.27% (+2.99 bps).

The USD/PHP pair closed at 60.90 (+0.14% DoD).

US nonfarm payrolls unexpectedly fell by 23,000 in July, versus expectations for an 80,000 increase, while June job gains were revised down from 57,000 to 20,000. The decline in July was driven primarily by a 50,000 drop in government education employment, with retail, leisure & hospitality, and financial services also posting losses. Meanwhile, the unemployment rate eased to 4.1% (June: 4.2%), reflecting workers exiting the labor force.

Iran said on Sunday that a deal with Oman to set out new shipping lanes in the Strait of Hormuz is in the 'final stages.' However, Iranian Foreign Minister Araqchi said that the strait will be fully reopened once the US meets several conditions, including compensating Iran for the damages caused by US attacks, ending hostilities against Iran and its allies, and freeing Iranian assets.

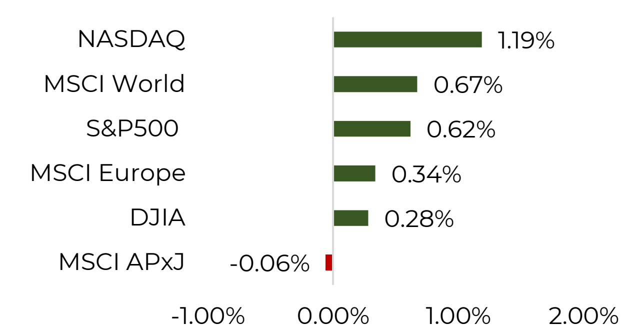
US equities rose, **US Treasury yields** slumped, and the **US dollar** weakened as investors digested the weaker-than-expected July nonfarm payrolls data, which tempered market's expectations of potential rate hikes from the Federal Reserve this year.

The S&P 500 closed at a fresh record-high of 7,757.64 (+0.62% DoD), while the DJIA ended at 54,036.93 (+0.28% DoD).

On average, yields fell by 3.15 bps, with the 2Y closing at 4.20% (-5.50 bps) and the 10Y closing at 4.65% (-3.70 bps).

The DXY closed at 99.54 (-0.39% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,757.64	+0.62%
DJIA	54,036.93	+0.28%
NASDAQ	29,722.30	+1.19%
3-mo US Treasury yield	3.80%	-3.00 bps
2-yr US Treasury yield	4.20%	-5.50 bps
5-yr US Treasury yield	4.35%	-4.40 bps
10-yr US Treasury yield	4.65%	-3.70 bps
DXY	99.54	-0.39%