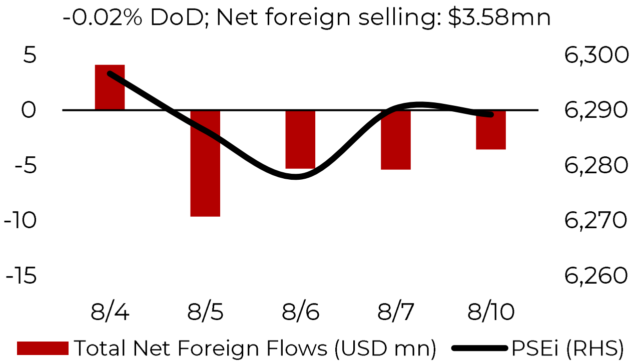
The Morning View

August 11, 2026

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,289.21	-0.02%
3-mo bond yield	5.00%	-3.21 bps
2-yr bond yield	6.43%	-8.20 bps
5-yr bond yield	7.07%	-3.89 bps
10-yr bond yield	7.26%	-1.00 bps
USDPHP	60.71	-0.32%
Oil (Brent, $ / barrel)	87.72	+4.99%

Bangko Sentral ng Pilipinas (BSP) Governor Remolona said the central bank remains open to further policy tightening but the weak 2Q26 Gross Domestic Product (GDP) growth has eased the pressure to do so. He said the BSP could still hike "as much as necessary" to ensure inflation continues to soften and eventually return to the 2-4% target.

SM Prime Holdings, Inc. (PSE Ticker: SMPH) posted a net income of Php12.8 billion (+9% QoQ, +1% YoY) in 2Q26, bringing 1H26 earnings to Php24.5 billion (flat YoY). Revenue grew 5% YoY to Php71.7 billion in 1H26, driven by resilient mall and commercial operations, but higher operating and construction costs largely offset the growth.

Local equities closed flattish, **local fixed income yields** fell, and the **Philippine peso** slightly strengthened as investors digested BSP Governor Remolona's remarks. This was also following the unexpected decline in US nonfarm payrolls in July, tempering bets of a September Fed policy rate hike.

The PSEi closed at 6,289.21 (-0.02% DoD).

On average, yields fell by 3.43 bps, with the 2Y closing at 6.43% (-8.2 bps) and the 10Y closing at 7.26% (-1 bp).

The USD/PHP pair closed at 60.71 (-0.32% DoD).

Cleveland Fed President Beth Hammack, a 2026 voter, said that returning inflation to the Federal Reserve's 2% target may require "some number" of rate hikes. She noted that a single 25-bp rate hike is not meaningfully restrictive for the economy, and stressed that she does not want to prejudge how many hikes may ultimately be needed.

US President Donald Trump extended for 90 days the Jones Act waiver, which allows foreign-flagged vessels to transport oil and other commodities between US ports, and introduced tighter case-by-case approval requirements. The waiver, originally set to expire on August 16, is intended to ease fuel transportation constraints amid global energy market disruptions.

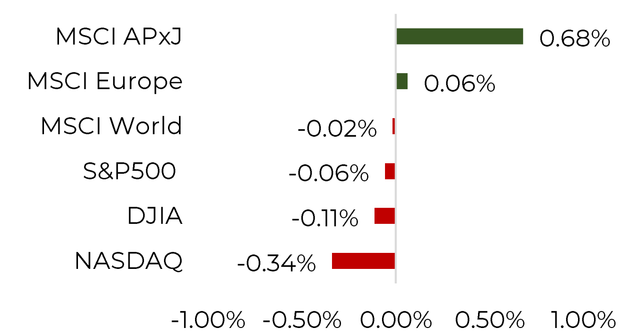
US equities inched down, **US Treasury yields** jumped, and the **US dollar** strengthened as oil prices climbed after President Trump said the US was only "semi-negotiating" with Iran. Investors also positioned ahead of the release of key US inflation reports for July, including the consumer and producer price data.

The S&P 500 closed at 7,753.11 (-0.06% DoD), while the DJIA ended at 53,975.98 (-0.11% DoD).

On average, yields rose by 4.29 bps, with the 2Y closing at 4.25% (+4.80 bps) and the 10Y closing at 4.71% (+6.20 bps).

The DXY closed at 99.81 (+0.27% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,753.11	-0.06%
DJIA	53,975.98	-0.11%
NASDAQ	29,621.80	-0.34%
3-mo US Treasury yield	3.81%	+1.10 bps
2-yr US Treasury yield	4.25%	+4.80 bps
5-yr US Treasury yield	4.41%	+6.00 bps
10-yr US Treasury yield	4.71%	+6.20 bps
DXY	99.81	+0.27%