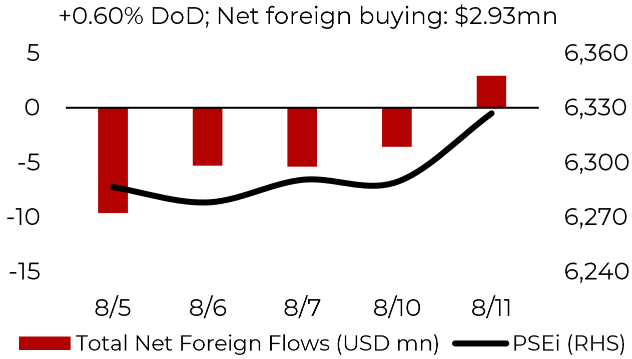
# The Morning View

August 12, 2026

## Philippine Stock Exchange Index




| | Level | DoD |
|---|---|---|
| PSEi | 6,326.89 | +0.60% |
| 3-mo bond yield | 4.96% | -3.83 bps |
| 2-yr bond yield | 6.39% | -4.14 bps |
| 5-yr bond yield | 7.09% | +2.19 bps |
| 10-yr bond yield | 7.36% | +10.04 bps |
| USDPHP | 61.26 | +0.91% |
| Oil (Brent, $ / barrel) | 88.91 | +1.36% |

**According to the Department of Budget and Management (DBM), National Government outstanding debt is projected to hit a record Php21.48 trillion in 2027 (+8.7% YoY).** This was driven by rising debt repayments and persistent fiscal deficits. In FY27, the government plans to raise Php3.3 trillion in gross borrowings and expects total debt repayments of Php2.7 trillion.

**Jollibee Foods Corporation (PSE Ticker: JFC) reported a record 2Q26 attributable net income (ANI) of Php3.4 billion (+131% QoQ, +6% YoY), bringing 1H26 ANI to Php4.9 billion (-13% YoY).** Results showed a sharp sequential recovery from 1Q26 cost pressures, supported by pricing actions and cost discipline implemented beginning April.

**Local equities** rose as investors continued to weigh PH central bank Governor Remolona's comment that there is less pressure to tighten policy. The PSEi closed at 6,326.89 (+0.60% DoD).

**Local fixed income yields** were mixed, and the **Philippine peso** weakened amid dampened hopes on a US-Iran peace deal. This was also after the DBM projected that PH government debt is likely to surge to a new record high.

On average, yields rose by 0.25 bps, with the 2Y closing at 6.39% (-4.14 bps) and the 10Y closing at 7.36% (+10.04 bps).

The USD/PHP pair closed at 61.26 (+0.91% DoD).

**Several Fed officials cited that inflation remains as a concern for the Fed, outweighing labor market risks.** Chicago Fed President Goolsbee said that the Fed is more concerned about high inflation rather than weak labor market, while Atlanta Fed interim President Venable noted that the inflation outlook is heavily dependent on Middle East developments, even as she characterized the labor market as broadly stable. Both are not 2026 voting members.

**Mohsen Rezaei, Secretary of Iran's Supreme National Security Council, reiterated that the Strait of Hormuz will remain closed unless the US agrees to Iran's conditions.** This came after US President Trump's statement that Iran should pay reparations for those killed in wars, attacks, and protests. Rezaei also emphasized that Iran's agreement with Oman regarding the control of the strait is separate from the issue of its closure.

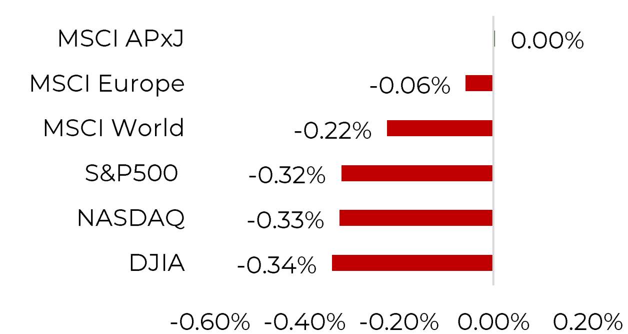
**US equities** pulled back and the **US dollar** slightly strengthened as the deadlock between the US and Iran continued, raising doubts about progress toward a deal to reopen the Strait of Hormuz.

The S&P 500 closed at 7,728.20 (-0.32% DoD), while the DJIA ended at 53,791.85 (-0.34% DoD).

The DXY closed at 99.83 (+0.02% DoD).

**US Treasury yields** declined as investors awaited key US inflation reports for July. On average, yields fell by 1.48 bps, with the 2Y closing at 4.22% (-2.70 bps) and the 10Y closing at 4.69% (-1.70 bps).

## Global Stock Indices




| | Level | DoD |
|---|---|---|
| S&P 500 | 7,728.20 | -0.32% |
| DJIA | 53,791.85 | -0.34% |
| NASDAQ | 29,525.48 | -0.33% |
| 3-mo US Treasury yield | 3.81% | -0.60 bps |
| 2-yr US Treasury yield | 4.22% | -2.70 bps |
| 5-yr US Treasury yield | 4.39% | -2.30 bps |
| 10-yr US Treasury yield | 4.69% | -1.70 bps |
| DXY | 99.83 | +0.02% |

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