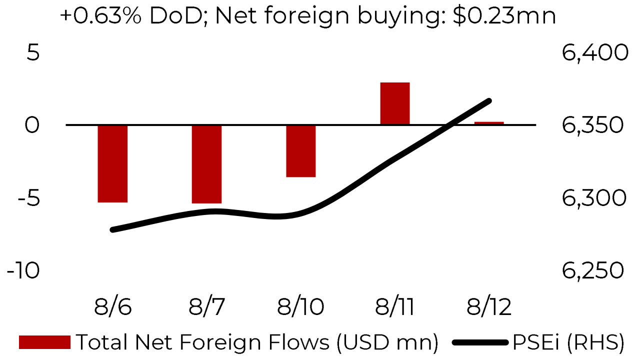
BPI WEALTH

The Morning View

August 13, 2026

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,366.64	+0.63%
3-mo bond yield	4.95%	-1.73 bps
2-yr bond yield	6.37%	-1.80 bps
5-yr bond yield	7.07%	-1.36 bps
10-yr bond yield	7.30%	-6.10 bps
USDPHP	61.18	-0.13%
Oil (Brent, $ / barrel)	88.98	+0.08%

The PH government lowered its 2027 infrastructure spending program to Php1.34 trillion, lower than the initial Php1.69 trillion initially programmed by the Development Budget Coordination Committee. This is equivalent to 4.0% of the projected 2027 gross domestic product (Prev.: 5.1%). The reduction came following the tighter oversight of infrastructure projects following the flood control scandal.

MSCI announced that Ayala Land, Inc. (PSE Ticker: ALI) will be deleted from the MSCI Philippines Index and moved to the MSCI Philippines Small Cap Index. The change will take effect after the close of trading on August 28, 2026. No Philippine stocks were added in this review

Local equities rose amid bargain hunting, supported by gains across select index heavyweights like banks and conglomerates. The PSEi closed at 6,366.64 (+0.63% DoD).

Local fixed income yields fell and the **Philippine peso** strengthened as markets positioned ahead of the US consumer price index (CPI) inflation report overnight which came out within market expectations.

On average, yields fell by 1.95 bps, with the 2Y closing at 6.37% (-1.80 bps) and the 10Y closing at 7.3% (-6.10 bps).

The USD/PHP pair closed at 61.18 (-0.13% DoD).

US headline CPI inflation eased to 3.4% YoY in July (June: 3.5%), matching market expectations. Likewise, core CPI inflation slowed to 2.5% (June: 2.6%), also in line with consensus forecast. The slower July print was driven by softer energy inflation, while food and shelter costs increased. Notably, prices for information technology commodities increased on the back of computers and peripherals.

The US budget deficit widened to $432 billion in July (+48% YoY), bringing the fiscal year 2026 year-to-date deficit to $1.80 trillion (+10% YoY). Higher government spending and tariff refunds weighed on federal finances, with $24.8 billion in tariff collections offset by $33.4 billion in refunds, resulting in net negative tariff revenues. Notably, the FY26 deficit through July was already wider than the full-year FY25 deficit of $1.78 trillion.

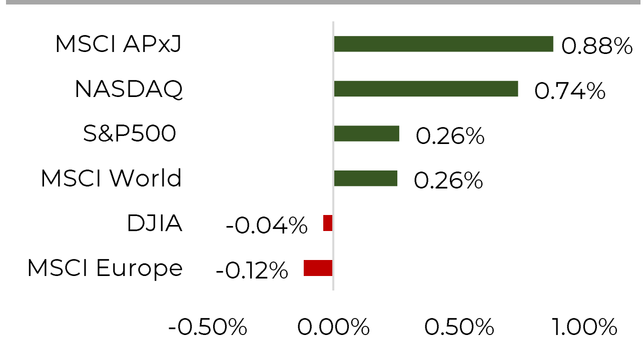
US equities and **US Treasury yields** were mixed, while the **US dollar** strengthened as investors digested the July US CPI inflation data, which came in-line with market expectations. This was also ahead of the Producer Price Index (PPI) inflation report this week.

The S&P 500 closed at 7,748.50 (+0.26% DoD), while the DJIA ended at 53,770.27 (-0.04% DoD).

On average, yields fell by 0.60 bps, with the 2Y closing at 4.20% (-1.50 bps) and the 10Y closing at 4.70% (+0.50 bps).

The DXY closed at 100.01 (+0.19% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,748.50	+0.26%
DJIA	53,770.27	-0.04%
NASDAQ	29,742.60	+0.74%
3-mo US Treasury yield	3.81%	-0.20 bps
2-yr US Treasury yield	4.20%	-1.50 bps
5-yr US Treasury yield	4.38%	-0.80 bps
10-yr US Treasury yield	4.70%	+0.50 bps
DXY	100.01	+0.19%