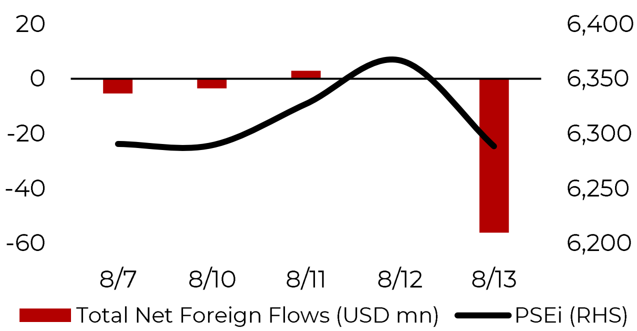
The Morning View

August 14, 2026

Philippine Stock Exchange Index

-1.23% DoD; Net foreign selling: $56.22mn



	Level	DoD
PSEi	6,288.25	-1.23%
3-mo bond yield	4.94%	-0.29 bps
2-yr bond yield	6.35%	-2.74 bps
5-yr bond yield	7.04%	-3.46 bps
10-yr bond yield	7.35%	+5.34 bps
USDPHP	61.34	+0.27%
Oil (Brent, $ / barrel)	87.07	-2.15%

Goldman Sachs cut its 2026 PH economic growth forecast to 3.3% from 3.5% amid high inflation and slowing remittances. The bank said 2Q26 GDP growth came in below even its modest 2.7% forecast, highlighting a sharp loss of momentum. It also does not expect a quick recovery in the coming quarters, citing weaker remittance inflows that could weigh on household consumption.

PLDT Inc. (PSE Ticker: TEL) reported 1H26 attributable net income of Php16.4 billion (-6% YoY), weighed by higher depreciation and softer telco operations. Excluding forex movements, asset sales, Maya's contribution, and other non-core items, telco core income declined 2% YoY to Php16.6 billion.

Local equities fell following the announcements of Ayala Land, Inc.'s (PSE Ticker: ALI) deletion from the MSCI PH Standard Index and SM Prime Holdings Inc.'s (PSE Ticker: SMPH) overnight block sale of shares. The PSEi closed at 6,288.25 (-1.23% DoD).

Local fixed income yields were mixed, and the **Philippine peso** weakened as geopolitical uncertainties lingered following conflicting claims from the US and Iran over control of the Strait of Hormuz.

On average, yields fell by 1.39 bps, with the 2Y closing at 6.35% (-2.74 bps) and the 10Y closing at 7.35% (+5.34 bps).

The USD/PHP pair closed at 61.34 (+0.27% DoD).

US Producer Price Index (PPI) inflation eased more than expected to 4.7% YoY in July (June: 5.5%; Consensus: 4.9%). The deceleration was mainly driven by lower food prices and a slower pace of increase in energy and trade services prices. However, the July print does not yet reflect the resurgence in oil prices towards the end of the month. On a MoM basis, PPI inflation was flat (Revised June: -0.1%; Consensus: +0.2%).

Fed officials remained divided on the need for further tightening. Cleveland Fed President Hammack, a voting member, reiterated her call for an immediate rate hike, arguing that strong business demand and investment continue to keep inflation elevated. Meanwhile, Richmond Fed President Barkin, a non-voting member, said it remains unclear whether additional tightening will be needed as inflation pressures may ease over time.

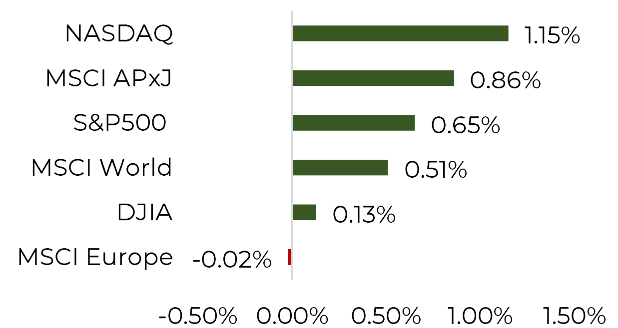
US equities rose, **US Treasury yields** fell, and the **US dollar** weakened as investors digested the slower July PPI inflation data and higher-than-expected weekly jobless claims of 209K(Consensus: 202K), which tempered bets for a Fed rate hike.

The S&P 500 closed at 7,798.99 (+0.65% DoD), while the DJIA ended at 53,839.99 (+0.13% DoD).

On average, yields fell by 3.74 bps, with the 2Y closing at 4.15% (-5.80 bps) and the 10Y closing at 4.65% (-5.20 bps).

The DXY closed at 99.96 (-0.05% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,798.99	+0.65%
DJIA	53,839.99	+0.13%
NASDAQ	30,084.50	+1.15%
3-mo US Treasury yield	3.81%	+0.50 bps
2-yr US Treasury yield	4.15%	-5.80 bps
5-yr US Treasury yield	4.32%	-6.50 bps
10-yr US Treasury yield	4.65%	-5.20 bps
DXY	99.96	-0.05%