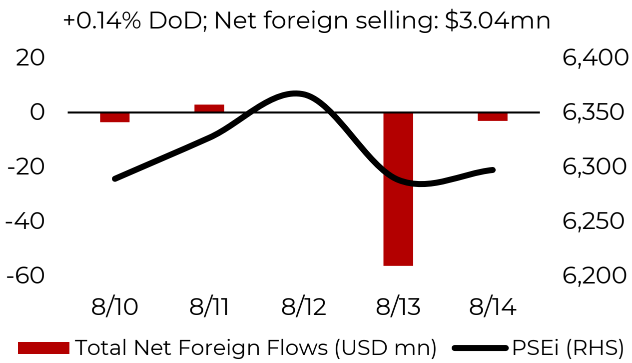
The Morning View

BPI WEALTH

August 17, 2026

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,297.30	+0.14%
3-mo bond yield	4.95%	+0.50 bps
2-yr bond yield	6.35%	+0.04 bps
5-yr bond yield	7.02%	-1.78 bps
10-yr bond yield	7.32%	-3.12 bps
USDPHP	61.45	+0.17%
Oil (Brent, $ / barrel)	88.52	+1.67%

Last Friday, Bangko Sentral ng Pilipinas (BSP) Governor Remolona said in a forum that he sees room for less aggressive monetary policy tightening as economic growth slows. This came after the slower-than-expected 2Q26 growth. He cautioned, however, that clear evidence of a sustained decline in inflation is needed before the BSP shifts away from its tightening cycle.

PLDT Inc. (PSE Ticker: TEL) disclosed it has amended its 2025 Form 20-F, an annual regulatory report filed by foreign companies listed in the US, after identifying accounting errors stemming from weakness in internal financial reporting controls. While TEL deemed the issue a material weakness, it does not expect the revisions to affect its key financial metrics.

Local equities slightly rose amid investors' bargain hunting toward select stocks that were heavily sold off the previous day. Meanwhile, **local fixed income yields** were mixed and the **Philippine peso** weakened as investors digested BSP Governor Remolona's remarks. This was also after global oil prices rose amid escalating US-Iran tensions.

The PSEi closed at 6,297.30 (+0.14% DoD).

On average, yields fell by 0.95 bps, with the 2Y closing at 6.35% (+0.04 bps) and the 10Y closing at 7.32% (-3.12 bps).

The USD/PHP pair closed at 61.45 (+0.17% DoD).

US retail sales unexpectedly dropped by 0.6% MoM in July (June: +0.2%; Consensus: +0.1%), the first decline since October 2025. Excluding automobiles, gasoline, building materials, and food services, retail sales fell by 0.4% MoM (June: +0.4%; Consensus: +0.3%). The weakness was largely driven by lower motor vehicle and gasoline sales, while non-store retailers were also softer as Amazon pulled forward its Prime Day this year to June from July.

University of Michigan's US Consumer Sentiment Index dropped to 51.0 in August (July: 55.2, Consensus: 55.0), reflecting concerns over the rising cost of living amid the Middle East conflict. Meanwhile, one-year inflation expectations rose to 4.3% from 4.2%, while five-year expectations remained unchanged at 3.3%.

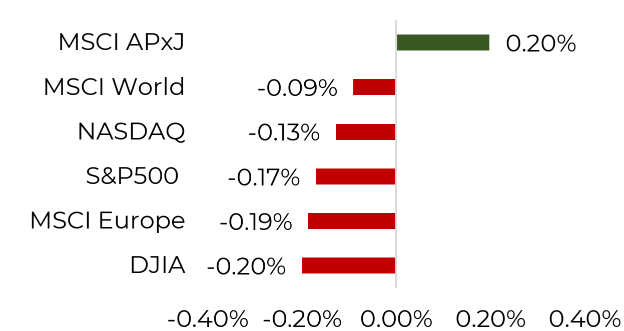
US equities fell, **US Treasury yields** jumped, and the **US dollar** weakened as investors digested the weaker-than-expected July US retail sales and August US consumer sentiment. The market also continued to monitor Middle East developments, including US Treasury Secretary Bessent's warning of fresh measures related to Iran's "economic isolation."

The S&P 500 closed at 7,785.76 (-0.17% DoD), while the DJIA ended at 53,732.41 (-0.20% DoD).

On average, yields rose by 3.14 bps, with the 2Y closing at 4.17% (+2.80 bps) and the 10Y closing at 4.69% (+4.90 bps).

The DXY closed at 99.67 (-0.30% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,785.76	-0.17%
DJIA	53,732.41	-0.20%
NASDAQ	30,046.14	-0.13%
3-mo US Treasury yield	3.79%	-1.60 bps
2-yr US Treasury yield	4.17%	+2.80 bps
5-yr US Treasury yield	4.37%	+4.80 bps
10-yr US Treasury yield	4.69%	+4.90 bps
DXY	99.67	-0.30%