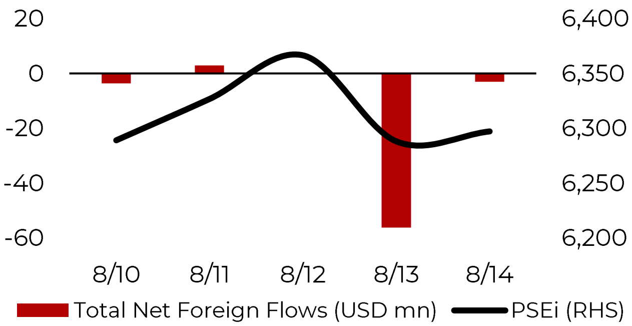
BPI WEALTH

The Morning View

August 18, 2026

Philippine Stock Exchange Index

-0.56% DoD; Net foreign selling: $3.61mn



	Level	DoD
PSEi	6,261.80	-0.56%
3-mo bond yield	4.97%	+1.96 bps
2-yr bond yield	6.34%	-0.45 bps
5-yr bond yield	7.04%	+1.96 bps
10-yr bond yield	7.32%	-0.64 bps
USDPHP	61.50	+0.07%
Oil (Brent, $ / barrel)	90.87	+2.65%

Bangko Sentral ng Pilipinas (BSP) reported that cash remittances from Overseas Filipino Workers (OFW) grew by 1.74% YoY to $3.04 billion in June, the slowest pace since February 2022. The slowdown was attributed to softer economic conditions and lingering geopolitical uncertainties from the Middle East conflict. Meanwhile, OFW cash remittances rose by 2.36% YoY to $17.15 billion in the first half of 2026.

First Philippine Holdings Corp. (PSE Ticker: FPH) rejected an offer from global firm Kohlberg Kravis Roberts & Co. L.P. (KKR) to acquire part of its stake in First Gen Corp. (PSE Ticker: FGEN). According to FPH, KKR's offer on FGEN does not represent FGEN's true value. Currently, KKR holds a 19.9% economic interest in FGEN, and the deal would have led to a voluntary tender offer for First Gen's entire 11.67% public float.

Local equities fell, **local fixed income yields** were mixed, and the **Philippines peso** weakened as global oil prices jumped amid concerns over the expiry of the US-Iran ceasefire. This was also after OFW remittance growth slowed to over a 4-year low.

The PSEi closed at 6,261.8 (-0.56% DoD).

On average, yields rose by 0.47 bps, with the 2Y closing at 6.34% (-0.45 bps) and the 10Y closing at 7.32% (-0.64 bps).

The USD/PHP pair closed at 61.50 (+0.07% DoD).

An Iranian official said that Tehran will shift to a "fully offensive" military posture as negotiations with the US have stalled, following the expiration of the ceasefire. The official added that Iran would conduct a "timely and precise" attack on the US naval blockade if diplomacy fails. Meanwhile, in response to Oman and Iran negotiating the management of the Strait of Hormuz, US President Trump said that the US will strike Oman if they "get in the way."

US home builder sentiment unexpectedly rose to 35 in August (July: 34; Consensus: 33) as current sales conditions improved while sales expectations for the next six months were unchanged. However, sentiment remained weak overall amid economic uncertainty, elevated mortgage rates, and rising construction costs.

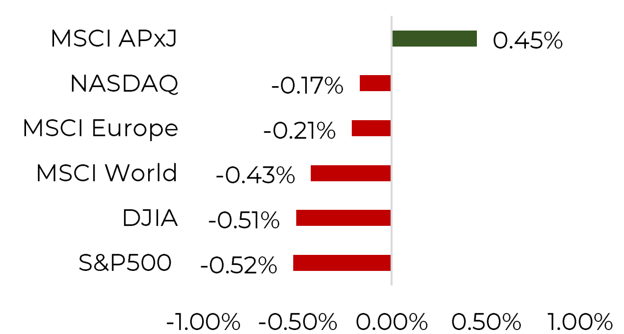
US equities declined, **US Treasury yields** inched up, and the **US dollar** closed flat as global oil prices rose amid stalled US-Iran negotiations after the 60-day ceasefire deal expired on Monday. Stock investors also remained cautious ahead of Nvidia's earnings report next week.

The S&P 500 closed at 7,745.06 (-0.52% DoD), while the DJIA ended at 53,459.78 (-0.51% DoD).

On average, yields rose by 1.69 bps, with the 2Y closing at 4.18% (+0.60 bps) and the 10Y closing at 4.72% (+3.00 bps).

The DXY closed at 99.64 (-0.03% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,745.06	-0.52%
DJIA	53,459.78	-0.51%
NASDAQ	29,995.38	-0.17%
3-mo US Treasury yield	3.79%	-0.30 bps
2-yr US Treasury yield	4.18%	+0.60 bps
5-yr US Treasury yield	4.38%	+1.00 bps
10-yr US Treasury yield	4.72%	+3.00 bps
DXY	99.64	-0.03%