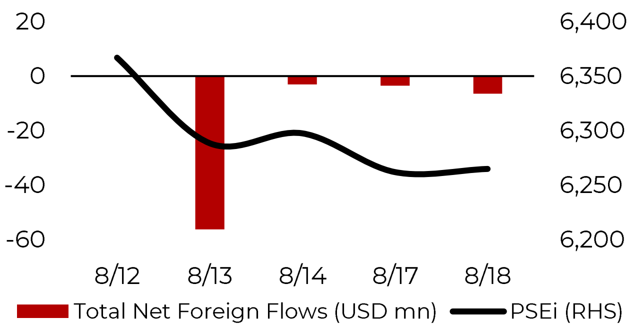
BPI WEALTH

The Morning View

August 19, 2026

Philippine Stock Exchange Index

+0.05% DoD; Net foreign selling: $6.53mn



	Level	DoD
PSEi	6,264.70	+0.05%
3-mo bond yield	4.95%	-2.19 bps
2-yr bond yield	6.34%	+0.15 bps
5-yr bond yield	7.06%	+2.05 bps
10-yr bond yield	7.29%	-2.14 bps
USDPHP	61.79	+0.47%
Oil (Brent, $ / barrel)	91.02	+0.17%

According to the Congressional Policy and Budget Research Department, PH inflation is expected to remain elevated through the rest of 2026. The congressional think tank attributed this to the rising global commodity prices, Middle East war-related supply disruptions, weather-related risks, and domestic production constraints. It sees inflation ranging from 6.37%-7.32% in 3Q26 and 5.91%-7.31% in 4Q26, above the central bank's target.

Aboitiz Equity Ventures, Inc.'s (PSE Ticker: AEV) subsidiary Aboitiz Economic Estates is expanding LIMA Estate in Batangas by 500 hectares and investing Php7.0 billion in seven office towers. The project will feature both industrial and commercial developments, alongside a 12-to-15-year office expansion plan designed for BPO and non-BPO tenants.

Local equities remained flat, **local fixed income yields** closed mixed, and the **Philippines peso** weakened amid dimming hopes of a near term resolution to the US-Iran conflict. This was after Iran signaled a more defensive stance, while the US ruled out extending the ceasefire.

The PSEi closed at 6,264.7 (+0.05% DoD).

On average, yields fell by 0.83 bps, with the 2Y closing at 6.34% (+0.15 bps) and the 10Y closing at 7.29% (-2.14 bps).

The USD/PHP pair closed at 61.79 (+0.47% DoD).

On Tuesday, US President Donald Trump said that Washington is not in any talks with Iran and has no plans to start new ones. He also mentioned that a US naval blockade remains active, all water mines have been removed, and the Strait of Hormuz is open and operating. Meanwhile, later Tuesday, air defenses in the United Arab Emirates detected two Iranian ballistic missiles.

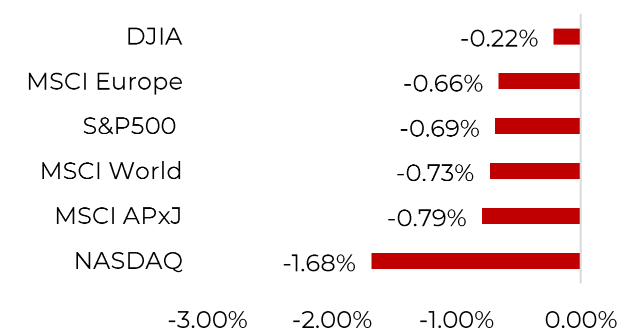
US industrial production grew at a slower pace of 0.2% MoM in July (June: +0.3%; Consensus: +0.3%). This was driven by the resilient manufacturing output, which rose by 0.2% MoM (June: +0.3%; Consensus: +0.2%), supported by continued investment in artificial intelligence infrastructure.

US equities declined, led by a weakness in technology stocks, as the escalating Middle East tensions pushed the 30-year Treasury yield to multi-year highs. The S&P 500 closed at 7,691.76 (-0.69% DoD), while the DJIA ended at 53,343.40 (-0.22% DoD).

US Treasury yields fell, despite intensifying geopolitical tensions, following the weaker-than-expected US economic data for July, including the industrial production growth and the decline in housing starts of 12.4% MoM (Consensus: -5.9%). On average, yields fell by 1.33 bps, with the 2Y closing at 4.17% (-0.60 bps) and the 10Y closing at 4.71% (-1.80 bps).

The **US dollar** was flat on cautious trading amid lingering geopolitical uncertainties. The DXY closed at 99.66 (+0.02% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,691.76	-0.69%
DJIA	53,343.40	-0.22%
NASDAQ	29,490.96	-1.68%
3-mo US Treasury yield	3.79%	-0.10 bps
2-yr US Treasury yield	4.17%	-0.60 bps
5-yr US Treasury yield	4.37%	-0.90 bps
10-yr US Treasury yield	4.71%	-1.80 bps
DXY	99.66	+0.02%