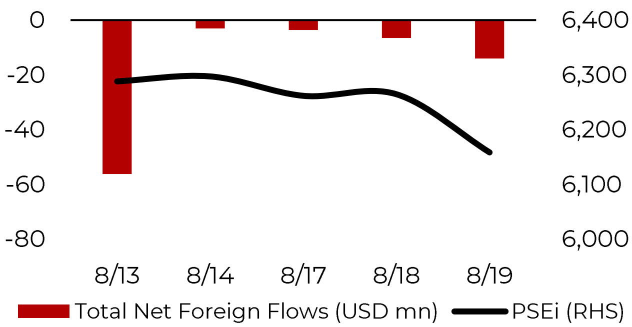
The Morning View

BPI WEALTH

August 20, 2026

Philippine Stock Exchange Index

-1.70% DoD; Net foreign selling: $14.00mn



	Level	DoD
PSEi	6,158.34	-1.70%
3-mo bond yield	4.96%	+1.26 bps
2-yr bond yield	6.34%	-0.51 bps
5-yr bond yield	7.09%	+2.56 bps
10-yr bond yield	7.31%	+1.72 bps
USDPHP	61.82	+0.05%
Oil (Brent, $ / barrel)	91.62	+0.66%

The Philippine Statistics Authority reported that approved building permits inched down by 0.3% YoY to 17,081 in June (Revised May: -6.5%). Building activity remained subdued as the 4.6% YoY rise in non-residential project permits was offset by the 2.1% YoY decline in residential permits. Residential construction was weighed by soft household demand as well as elevated material and borrowing costs.

Ayala Land, Inc.'s (PSE Ticker: ALI) subsidiary Bellavita Land Corp. has turned over 110 homes to Naga City government employees, the first batch under a 1,011-unit housing program. The fully developed village includes completed infrastructure and utilities, with additional units set for future distribution alongside expanded housing discount agreements from ALI brands Avida and Amaia.

Local equities fell, **local fixed income yields** rose on average, and the **Philippine peso** weakened as the renewed Middle East tensions pushed global oil prices higher and reignited inflation concerns.

The PSEi closed at 6,158.34 (-1.70% DoD).

On average, yields rose by 0.99 bps, with the 2Y closing at 6.34% (-0.51 bps) and the 10Y closing at 7.31% (+1.72 bps).

The USD/PHP pair closed at 61.82 (+0.05% DoD).

The US Treasury Department announced that it will more than double the size of its government debt repurchase program, focused on the 10- to 20-year and 20- to 30-year sectors. Beginning September 9 through November 4, the size per operation will increase from $2 billion to at least $4 billion. According to the Treasury, the move aims to improve liquidity in long-dated securities supported by strong investor demand.

Minutes from the Fed's July 28–29 meeting showed deepening inflation concerns, with "several" policymakers ready to hike and "many" saying an increase would be needed if inflation does not fall toward 2%. Notably, there was no call for a rate cut, reflecting persistent tariff- and conflict-driven inflation concerns.

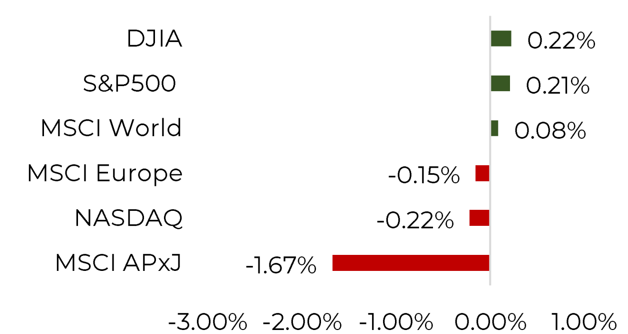
US equities rebounded as easing bond yields boosted risk-on sentiment. Gains were further supported by a rally in Moderna after it reported positive initial results for its cancer vaccine, lifting the broader healthcare sector. The S&P 500 closed at 7,707.98 (+0.21% DoD), while the DJIA ended at 53,463.05 (+0.22% DoD).

US Treasury yields pulled back on average and the **US dollar** weakened after the US Treasury Department's announcement of increasing the size of its debt buybacks.

On average, yields fell by 3.29 bps, with the 2Y closing at 4.17% (-0.60 bps) and the 10Y closing at 4.65% (-5.70 bps).

The DXY closed at 98.83 (-0.83% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,707.98	+0.21%
DJIA	53,463.05	+0.22%
NASDAQ	29,426.02	-0.22%
3-mo US Treasury yield	3.79%	+0.40 bps
2-yr US Treasury yield	4.17%	-0.60 bps
5-yr US Treasury yield	4.34%	-2.30 bps
10-yr US Treasury yield	4.65%	-5.70 bps
DXY	98.83	-0.83%