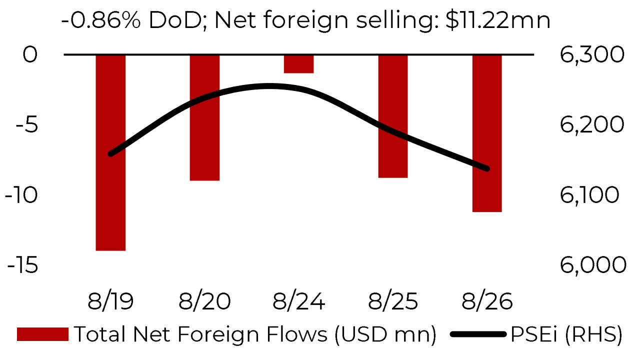
August 27, 2026

The Morning View

BPI WEALTH

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,137.23	-0.86%
3-mo bond yield	5.05%	+2.01 bps
2-yr bond yield	6.35%	-1.16 bps
5-yr bond yield	7.05%	-3.40 bps
10-yr bond yield	7.29%	-0.28 bps
USDPHP	61.65	-0.14%
Oil (Brent, $ / barrel)	87.84	-0.84%

Moody's Analytics trimmed its 2026 Philippine Gross Domestic Product (GDP) growth forecast to 3.0% from previously 4.0%, below the government's 3.5-4.5% target for the year. The downward revision reflected expectations of weak consumption and private investment. Nonetheless, the firm sees growth rebounding to 4.6% in 2027 and 5.1% in 2028.

SM Prime Holdings, Inc. (PSE Ticker: SMPH) is set to add approximately 70,000 square meters of gross floor area (GFA) across three mall expansion projects by 4Q26. As of 1H26, SMPH has a GFA of 9.8 million for their Philippine malls. SM Prime President Jeffrey Lim said these developments aim to strengthen regional economic hubs, support local businesses, and generate employment, while integrating sustainable features.

Local equities fell and the **Philippine peso** strengthened ahead of the Bangko Sentral ng Pilipinas' August policy meeting today, where markets widely expect a 25-bp rate hike. Meanwhile, **local fixed income yields** dipped on hopes of a potential reopening of the Strait of Hormuz following reports of Iran-Oman negotiations.

The PSEi closed at 6,137.23 (-0.86% DoD).

On average, yields fell by 0.50 bps, with the 2Y closing at 6.35% (-1.16 bps) and the 10Y closing at 7.29% (-0.28 bps).

The USD/PHP pair closed at 61.65 (-0.14% DoD).

US core Personal Consumption Expenditure (PCE) inflation held steady at 3.3% YoY in July, aligning with the market's expectations. Including volatile food and energy prices, PCE inflation was also unchanged at 3.7% YoY although faster than consensus forecast of 3.6%. This was driven by elevated energy prices, higher food prices, and sticky services inflation.

US durable goods orders rose 1.1% MoM to $339.3 billion in July (Revised June: +0.5%), beating the consensus expectation of a 0.5% increase. This was attributed to the surge in transportation equipment, including nondefense and defense aircraft. However, excluding transportation, orders increased by only 0.4% MoM (Revised June: +1.1%), falling below the market's expectation of 0.6%.

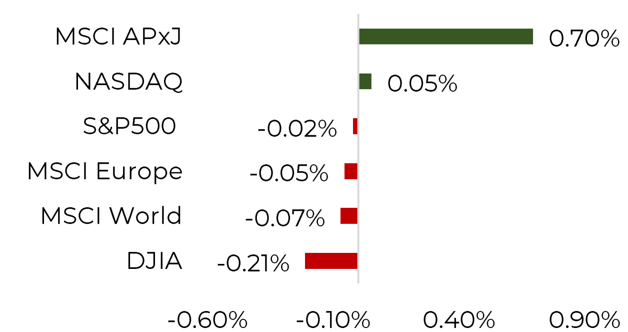
US equities edged lower, **US Treasury yields** rose, and the **US dollar** strengthened as investors digested the in-line July US core PCE inflation reading and the unrevised 2Q26 US GDP growth of 1.5% annualized QoQ. This was also ahead of Fed Chair Warsh's first speech at the Jackson Hole conference this Friday.

The S&P 500 closed at 7,675.70 (-0.02% DoD), while the DJIA ended at 53,463.88 (-0.21% DoD).

On average, yields rose by 1.51 bps, with the 2Y closing at 4.21% (+3.70 bps) and the 10Y closing at 4.65% (+1.80 bps).

The DXY closed at 99.17 (+0.25% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,675.70	-0.02%
DJIA	53,463.88	-0.21%
NASDAQ	29,224.52	+0.05%
3-mo US Treasury yield	3.79%	-0.70 bps
2-yr US Treasury yield	4.21%	+3.70 bps
5-yr US Treasury yield	4.36%	+2.70 bps
10-yr US Treasury yield	4.65%	+1.80 bps
DXY	99.17	+0.25%