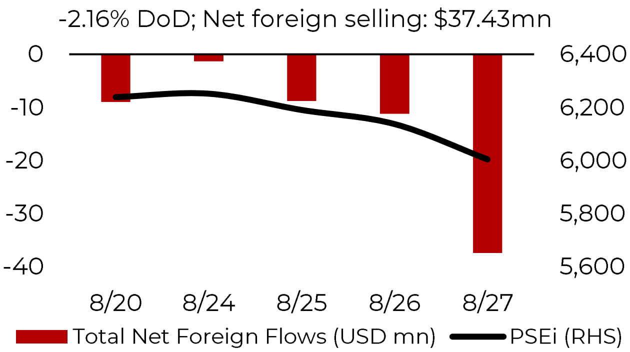
The Morning View

August 28, 2026

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,004.58	-2.16%
3-mo bond yield	5.07%	+1.73 bps
2-yr bond yield	6.33%	-1.05 bps
5-yr bond yield	7.05%	+0.50 bps
10-yr bond yield	7.28%	-0.92 bps
USDPHP	61.89	+0.39%
Oil (Brent, $ / barrel)	89.70	+2.12%

Bangko Sentral ng Pilipinas (BSP) raised its key policy rate by 25 bps to 5.00% at its August Monetary Board meeting, in line with market expectations and marking its third consecutive hike. The BSP cited upside risks to inflation from volatile oil prices, minimum wage increases, and the looming Super El Niño. Meanwhile, the 2026 inflation forecast was lowered to 6.1% from 6.4%, while the 2027 forecast was raised to 5.4% from 4.5%.

Ayala Land, Inc. (PSE Ticker: ALI) plans to launch new residential lot developments in its Cresendo estate in Tarlac. The project will be a part of the company's selective rollout of new residential lots across South and Central Luzon. To support the strategic launches and ongoing developments, ALI raised its capital expenditure budget from Php50 billion to Php60 billion.

Local equities fell and **local fixed income yields** were mixed following the BSP's monetary policy decision. Meanwhile, the **Philippine peso** weakened to a new record low as the rise in global oil prices weighed on sentiment and heightened concerns over the country's trade deficit.

The PSEi closed at 6,004.58 (-2.16% DoD).

On average, yields fell by 0.77 bps, with the 2Y closing at 6.33% (-1.05 bps) and the 10Y closing at 7.28% (-0.92 bps).

The USD/PHP pair closed at 61.89 (+0.39% DoD).

Several Federal Reserve officials at the Jackson Hole symposium voiced concern over persistent inflation. Kansas Fed President Schmid said the current policy rate may not be restrictive enough, while Cleveland Fed President Hammack advocated for immediate action. Moreover, Chicago Fed President Goolsbee cautioned against rising risks from tariffs, energy costs, and political interference, whereas Boston Fed President Collins said that gradual disinflation remains likely.

US initial jobless claims fell by 4k to 203k in the week ended August 22 (Consensus: 208k). Continuing claims declined by 18k to 1.778 million (Previous: 1.796 million, Consensus: 1.792 million) for the week ended August 15, reflecting a "low-hire, low-fire" environment as firms retained workers amid cautious hiring.

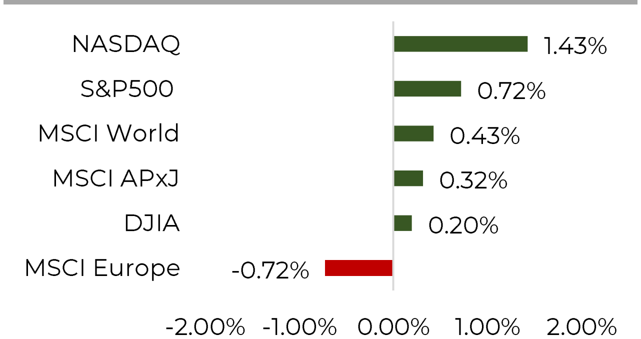
US equities gained, led by technology shares, after Nvidia beat earnings expectations and provided an optimistic revenue outlook. The S&P 500 closed at 7,730.99 (+0.72% DoD), while the DJIA ended at 53,569.44 (+0.20% DoD).

US Treasury yields rose, and the **US dollar** closed flat as investors looked ahead to Fed Chair Warsh's first speech at the Jackson Hole symposium today.

On average, yields rose by 2.25 bps, with the 2Y closing at 4.23% (+2.10 bps) and the 10Y closing at 4.68% (+2.90 bps).

The DXY closed at 99.16 (-0.01% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,730.99	+0.72%
DJIA	53,569.44	+0.20%
NASDAQ	29,641.56	+1.43%
3-mo US Treasury yield	3.78%	-0.90 bps
2-yr US Treasury yield	4.23%	+2.10 bps
5-yr US Treasury yield	4.40%	+3.70 bps
10-yr US Treasury yield	4.68%	+2.90 bps
DXY	99.16	-0.01%