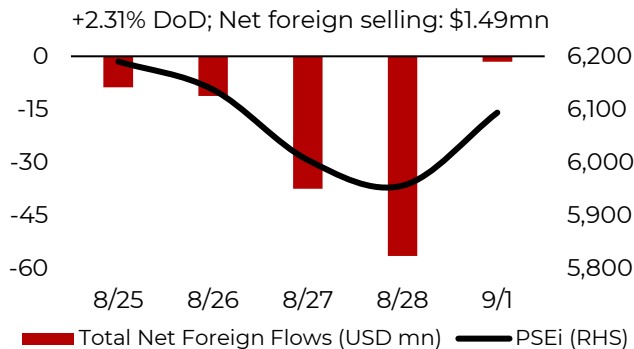




The Morning View

September 2, 2026

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,093.89	+2.31%
3-mo bond yield	5.10%	+0.86 bps
2-yr bond yield	6.38%	+5.06 bps
5-yr bond yield	7.10%	+2.95 bps
10-yr bond yield	7.24%	-1.37 bps
USDPHP	62.40	+0.22%
Oil (Brent, \$ / barrel)	94.65	+4.60%

Philippine S&P manufacturing Purchasing Managers' Index (PMI) jumped to 54.9 in August (July: 51.8), highest since December 2016. The expansion was driven by an acceleration in new orders as export orders picked up, and an increase in purchasing and hiring. Moreover, input costs rose at a softer pace and business confidence improved during the month.

Jollibee Foods Corp. (PSE Ticker: JFC), selected the Stock Exchange of Hong Kong over the US to list its overseas unit, Jollibee Foods Corp. International. Led by incoming CEO Richard Chong Woo Shin, the spin-off will drive global expansion, with shareholders receiving proportional stakes in the new entity while JFC retains its Philippine operations.

Local equities rebounded as the market sentiment was lifted by the robust August S&P Philippine Manufacturing PMI, signaling stronger factory activity. The PSEi closed at 6,093.89 (+2.31% DoD).

Local fixed income yields closed mixed, and the **Philippine peso** weakened to a new all-time low amid renewed inflation concerns after fresh US-Iran attacks. Moreover, hawkish Fed signals supported the US dollar, which weighed on the peso.

On average, yields rose by 1.80 bps, with the 2Y closing at 6.38% (+5.06 bps) and the 10Y closing at 7.24% (-1.37 bps).

The USD/PHP pair closed at 62.40 (+0.22% DoD).

The US launched a broad wave of airstrikes against Iranian military infrastructure, further escalating the conflict. In response, Iran fired drones and ballistic missiles at US bases in Jordan, Bahrain, and Kuwait, while warning that it will block all Persian Gulf oil exports if its own shipments remain halted. Despite Iranian reports of civilian casualties and threats from President Donald Trump of harsher military action, both sides have taken an increasingly unyielding stance as hopes for a ceasefire fade.

Fed Governor Michael Barr said that if inflation does not moderate sufficiently toward its 2% target, the Fed should act decisively to raise interest rates. However, he noted that policymakers could take more time to assess their stance if incoming data show inflation cooling, while describing the economy as solid and the labor market as stable.

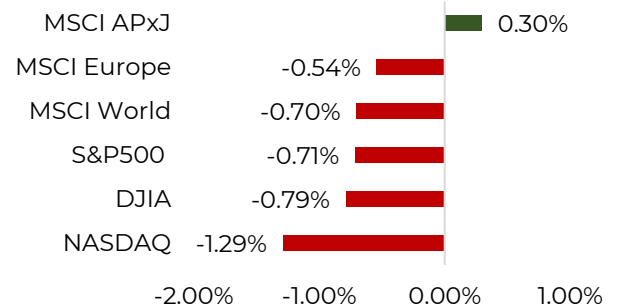
US equities fell, **US Treasury yields** rose, and the **US dollar** strengthened as the escalating US-Iran tensions and hawkish Federal Reserve commentary stoked inflation concerns.

The S&P 500 closed at 7,631.47 (-0.71% DoD), while the DJIA ended at 52,766.88 (-0.79% DoD).

On average, yields rose by 3.48 bps, with the 2Y closing at 4.40% (+5.80 bps) and the 10Y closing at 4.80% (+4.80 bps).

The DXY closed at 99.68 (+0.25% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,631.47	-0.71%
DJIA	52,766.88	-0.79%
NASDAQ	29,077.22	-1.29%
3-mo US Treasury yield	3.86%	+2.10 bps
2-yr US Treasury yield	4.40%	+5.80 bps
5-yr US Treasury yield	4.56%	+5.50 bps
10-yr US Treasury yield	4.80%	+4.80 bps
DXY	99.68	+0.25%

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