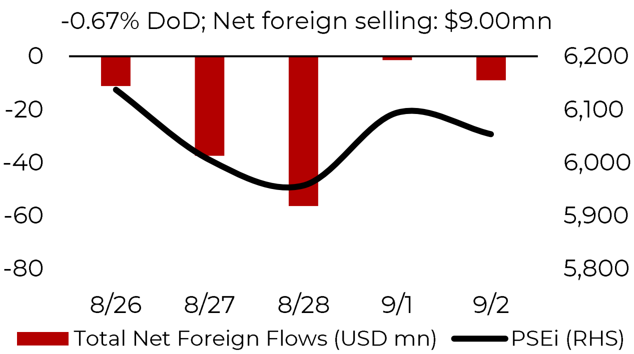
The Morning View

BPI WEALTH

September 3, 2026

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,053.23	-0.67%
3-mo bond yield	5.11%	+1.05 bps
2-yr bond yield	6.46%	+7.69 bps
5-yr bond yield	7.17%	+7.21 bps
10-yr bond yield	7.34%	+10.07 bps
USDPHP	62.57	+0.26%
Oil (Brent, $ / barrel)	95.63	+1.04%

The Bureau of Internal Revenue said that it is preparing a circular removing value-added tax on allowable system loss charges to be released later this month. This was after the Energy Regulatory Commission officially declared these charges as a government-mandated pass-through cost that should not form part of gross sales of power generation companies. Separately, the Department of Finance estimates that foregone revenues could reach around Php10 billion a year.

SM Prime Holdings, Inc. (PSE Ticker: SMPH) plans to open the redeveloped Php6-billion Harrison Plaza in Manila by late 2027 or early 2028, converting the 200,000-square-meter site into a youth-centric lifestyle center. The redevelopment forms part of the company's Php150-billion expansion program through 2030, encompassing 16 mall redevelopments and up to 15 new builds.

Local equities fell, **local fixed income yields** climbed, and the **Philippine peso** weakened to a new all time low after renewed strikes between the US and Iran led to a jump in global oil prices and reignited inflation concerns.

The PSEi closed at 6,053.23 (-0.67% DoD).

On average, yields rose by 4.26 bps, with the 2Y closing at 6.46% (+7.69 bps) and the 10Y closing at 7.34% (+10.07 bps).

The USD/PHP pair closed at 62.57 (+0.26% DoD).

The Middle East faced heightened escalation after the US and Iran exchanged major military strikes. Tehran retaliated by targeting US bases in Bahrain, Jordan, Kuwait, and Iraq. Meanwhile, President Donald Trump warned of additional strikes, despite the US continuing to escort oil tankers through the strait.

US private payrolls rose by 38,000 in August (July: 46,000, Consensus: 47,000), reflecting a continued slowdown in labor demand. Employment gains in education and health services, leisure and hospitality, and construction were partly offset by job losses in manufacturing and professional and business services.

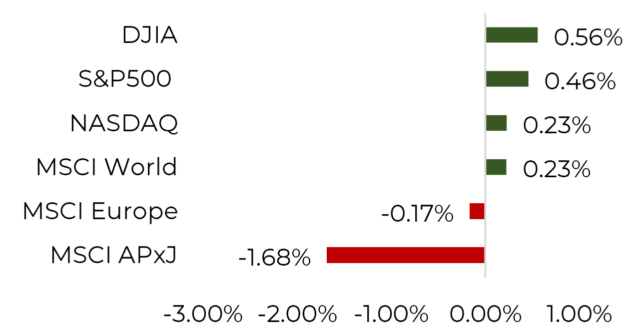
US equities gained, and **US Treasury yields** edged lower as investors hunted for bargains after sovereign bond yields reached multi-year highs. Investors also digested the softer-than-expected US private payrolls data for August.

The S&P 500 closed at 7,666.60 (+0.46% DoD), while the DJIA ended at 53,061.95 (+0.56% DoD).

On average, yields fell by 1.42 bps, with the 2Y closing at 4.37% (-3.10 bps) and the 10Y closing at 4.78% (-1.80 bps).

The **US dollar** closed flat as global oil prices continued to increase amid escalating US-Iran tensions, reigniting inflation concerns. Investors also weighed the Fed's latest Beige Book report, which showed a modest pickup in growth, employment, and prices. The DXY closed at 99.60 (-0.08% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,666.60	+0.46%
DJIA	53,061.95	+0.56%
NASDAQ	29,143.33	+0.23%
3-mo US Treasury yield	3.87%	+0.60 bps
2-yr US Treasury yield	4.37%	-3.10 bps
5-yr US Treasury yield	4.54%	-2.10 bps
10-yr US Treasury yield	4.78%	-1.80 bps
DXY	99.60	-0.08%