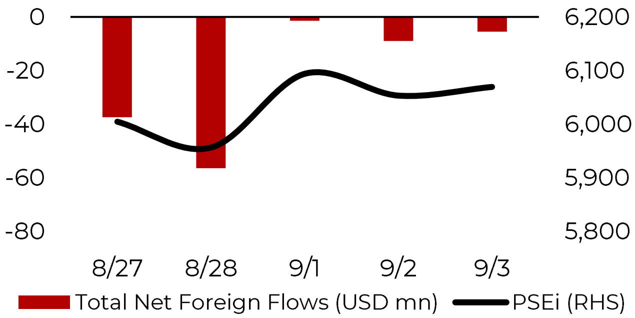
BPI WEALTH

The Morning View

September 4, 2026

Philippine Stock Exchange Index

+0.27% DoD; Net foreign selling: $5.48mn



	Level	DoD
PSEi	6,069.42	+0.27%
3-mo bond yield	5.11%	-0.14 bps
2-yr bond yield	6.43%	-2.42 bps
5-yr bond yield	7.11%	-5.53 bps
10-yr bond yield	7.28%	-6.46 bps
USDPHP	62.52	-0.07%
Oil (Brent, $ / barrel)	95.52	-0.12%

According to the Bureau of the Treasury, the PH national government's outstanding debt rose to a fresh high of Php19.39 trillion as of end-July (+1.70% MoM, +10.39% YoY). The increase was attributed to higher domestic debt of Php13.11 trillion (+8.26% YoY), driven by a net issuance of government securities. External debt also surged by 15.12% YoY to Php6.28 trillion due to net external loan availment and a weaker peso.

Manila Electric Co.'s (PSE Ticker: MER) power generation arm, Meralco PowerGen Corp., initiated commercial operations for Phase 1 of its Php200-billion MTerra Solar Project on August 26. The initial phase integrates 950 MWac of solar capacity and an 825 MW battery energy storage system across 3,500 hectares in Nueva Ecija and Bulacan.

Local equities slightly rebounded supported by bargain hunting. The PSEi closed at 6,069.42 (+0.27% DoD).

Local fixed income yields fell as investors positioned ahead of the August local inflation data release. Actual headline inflation slowed to 6.1% from 6.2% in July, in line with market expectations. On average, yields fell by 2.41 bps, with the 2Y closing at 6.43% (-2.42 bps) and the 10Y closing at 7.28% (-6.46 bps).

The **Philippine peso** strengthened after the softer-than-expected ADP private payrolls data tempered Fed rate hike bets. The USD/PHP pair closed at 62.52 (-0.07% DoD).

Fed Governor Christopher Waller signaled that he leans toward keeping rates unchanged in the upcoming policy meeting, provided upcoming August inflation data shows continued moderation. Waller also noted that current policy is only slightly restrictive, leaving the door open for a rate hike if price pressures unexpectedly accelerate.

The US Institute for Supply Management (ISM) Services Purchasing Managers' Index (PMI) rose to 55.4 in August (July: 54.1; Consensus: 54.1). The reading staying above 50.0 indicates continued expansion, driven by a surge in new orders amid strong domestic demand. However, input prices paid by businesses increased, while employment remained in contraction.

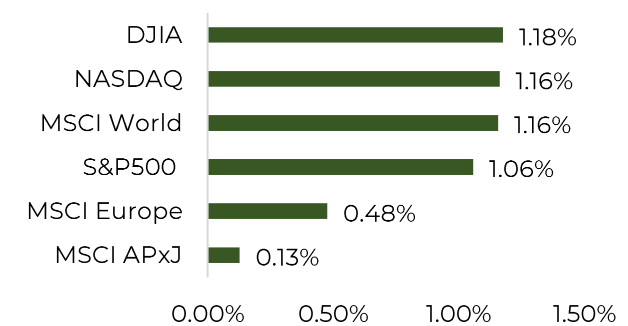
US equities gained, **US Treasury yields** retreated, and the **US dollar** weakened as markets weighed Fed Governor Waller's less hawkish remarks. This was also ahead of the nonfarm payrolls and unemployment rate data release later today.

The S&P 500 closed at 7,747.71 (+1.06% DoD), while the DJIA ended at 53,686.11 (+1.18% DoD).

On average, yields fell by 2.33 bps, with the 2Y closing at 4.34% (-3.10 bps) and the 10Y closing at 4.77% (-1.20 bps).

The DXY closed at 98.91 (-0.69% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,747.71	+1.06%
DJIA	53,686.11	+1.18%
NASDAQ	29,482.32	+1.16%
3-mo US Treasury yield	3.84%	-2.50 bps
2-yr US Treasury yield	4.34%	-3.10 bps
5-yr US Treasury yield	4.52%	-2.00 bps
10-yr US Treasury yield	4.77%	-1.20 bps
DXY	98.91	-0.69%