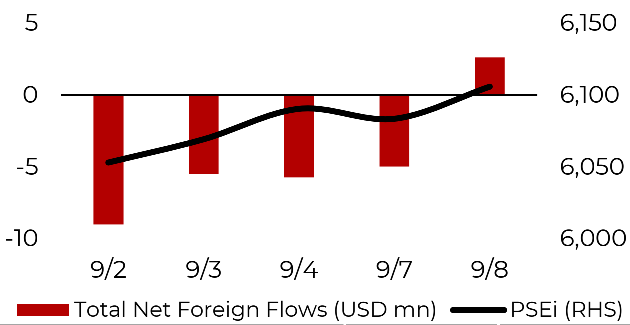
The Morning View

September 10, 2026

Philippine Stock Exchange Index

+0.17% DoD; Net foreign buying: $3.51mn



	Level	DoD
PSEi	6,116.53	+0.17%
3-mo bond yield	5.21%	+3.28 bps
2-yr bond yield	6.48%	+1.66 bps
5-yr bond yield	7.23%	+4.07 bps
10-yr bond yield	7.32%	-1.29 bps
USDPHP	62.51	-0.18%
Oil (Brent, $ / barrel)	101.21	+3.36%

PH banks' nonperforming loan (NPL) ratio rose to 3.35% in July (June: 3.29%), the Bangko Sentral ng Pilipinas reported. The MoM uptick was driven by a 1.9% decline in gross loans while NPLs were broadly unchanged. Nonetheless, the July 2026 figure eased from the 3.40% registered in the same month last year.

SM Prime Holdings, Inc.'s (PSE: SMPH) office leasing arm, SM Offices, said that it has signed an expansion lease with global digital payments leader Visa Inc. The agreement involves Visa relocating its operations to the Four E-Com Center in Pasay City and doubling its office footprint to 9,000 square meters. The new site will house the Visa Philippines Solution Center, which will consolidate the company's 24/7 operations.

Local equities slightly rose on the back of bargain hunting and net foreign buying. The PSEi closed at 6,116.53 (+0.17% DoD).

Local fixed income yields were mixed but rose on average as oil prices continued to climb amid further escalation in US-Iran tensions. On average, yields rose by 2.05 bps, with the 2Y closing at 6.48% (+1.66 bps) and the 10Y closing at 7.32% (-1.29 bps).

The **Philippine peso** strengthened against the US dollar, tracking gains across regional currencies. The move was led by the Japanese yen amid expectations of faster Bank of Japan policy tightening and continued policy support for the currency. The USD/PHP pair closed at 62.51 (-0.18% DoD).

The Middle East conflict further escalated as Iran targeted 10 ships near the Strait of Hormuz following US strikes that sank five Iranian oil tankers. Tehran announced plans to expand its off-limits maritime zone toward Chabahar, while Washington confirmed it will continue targeting Iranian tankers whenever US naval vessels are threatened.

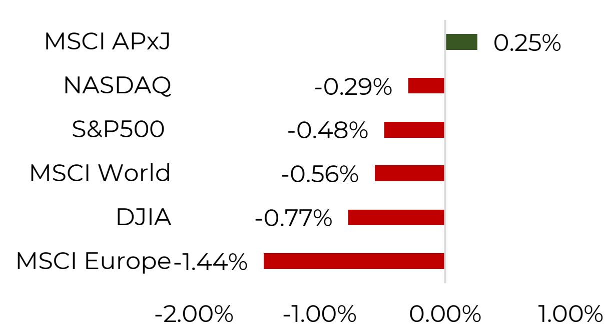
The US Treasury Department announced that it will buy back up to $6.0 billion of less-liquid 10- to 20-year Treasury securities on September 10, triple the size of its previous long-dated operation. The expanded buyback forms part of the Treasury's efforts to improve liquidity in longer-dated government securities.

US equities fell as the continued surge in global oil prices and higher US Treasury yields dampened market sentiment. The S&P 500 closed at 7,636.36 (-0.48% DoD), while the DJIA ended at 52,380.66 (-0.77% DoD).

US Treasury yields rose despite US Treasury Secretary Bessent's announcement of an expanded buyback plan for the 10- and 20-year securities during its September 10 operation. On average, yields rose by 3.92 bps, with the 2Y closing at 4.43% (+3.80 bps) and the 10Y closing at 4.84% (+5.10 bps).

The **US dollar** closed flat as investors positioned ahead of tomorrow's release of the US consumer price index (CPI) inflation data for August. The DXY closed at 98.82 (+0.03% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,636.36	-0.48%
DJIA	52,380.66	-0.77%
NASDAQ	29,421.55	-0.29%
3-mo US Treasury yield	3.90%	+2.90 bps
2-yr US Treasury yield	4.43%	+3.80 bps
5-yr US Treasury yield	4.62%	+5.40 bps
10-yr US Treasury yield	4.84%	+5.10 bps
DXY	98.82	+0.03%