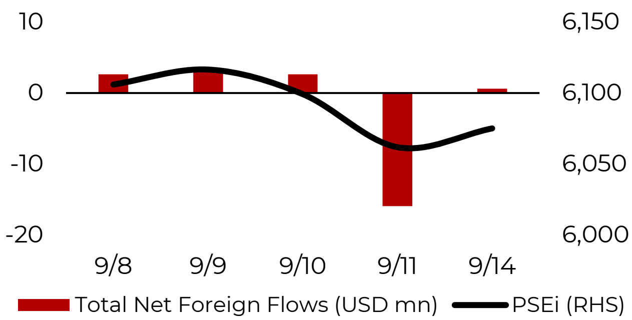
The Morning View

September 15, 2026

Philippine Stock Exchange Index

+0.22% DoD; Net foreign buying: $0.61mn



	Level	DoD
PSEi	6,075.07	+0.22%
3-mo bond yield	5.27%	+4.16 bps
2-yr bond yield	6.60%	+4.54 bps
5-yr bond yield	7.33%	+3.98 bps
10-yr bond yield	7.52%	+9.09 bps
USDPHP	62.86	+0.29%
Oil (Brent, $ / barrel)	105.68	+1.02%

PH foreign debt service bill reached $7.30 billion in 1H26 (+3.02% YoY), data from the Bangko Sentral ng Pilipinas showed. The increase was driven by higher principal payments amounting to $3.38 billion (+8.97% YoY), which was partly offset by lower interest payments of $3.92 billion (-1.63% YoY). As of end-1H26, the country's external debt service burden as a share of Gross Domestic Product stood at 3.0% (1Q26: 3.4%; 1H25: 3.0%).

Kohlberg Kravis Roberts & Co. L.P. (KKR) sold its entire 19.9% stake in First Gen Corp. (PSE Ticker: FGEN) to Angsana Finance Ltd. for about Php25.77 billion. The sale follows First Philippine Holdings Corp.'s (PSE Ticker: FPH) rejection of KKR's earlier bid to acquire an additional 8.43% stake in FGEN, a deal that could have led to FGEN's voluntary delisting.

Local equities ticked up amid bargain hunting as foreign buyers contributed inflows into heavyweight International Container Terminal Services. The PSEi closed at 6,075.07 (+0.22% DoD).

Local fixed income yields soared, and the **Philippine peso** weakened to a new record low on growing inflation concerns following another surge in oil prices.

On average, yields rose by 6.75 bps, with the 2Y closing at 6.60% (+4.54 bps) and the 10Y closing at 7.52% (+9.09 bps).

The USD/PHP pair closed at 62.86 (+0.29% DoD).

Oman postponed a planned Monday meeting between Iran and Gulf states aimed at reopening the Strait of Hormuz. Iran said the postponement was requested by Saudi Arabia. Iran's Supreme National Security Council secretary Mohsen Rezaei said that there would be no talks until Iran's conditions are met.

A Reuters poll showed that economists expect the Federal Reserve to deliver a rate hike in its September meeting, citing inflationary concerns. An 85% majority, or 86 of 101, of survey respondents said the Fed would raise by 25 bps to 3.75%-4.00% at its September 15-16 meeting. Moreover, 53% also expect at least one further rate increase by end-March.

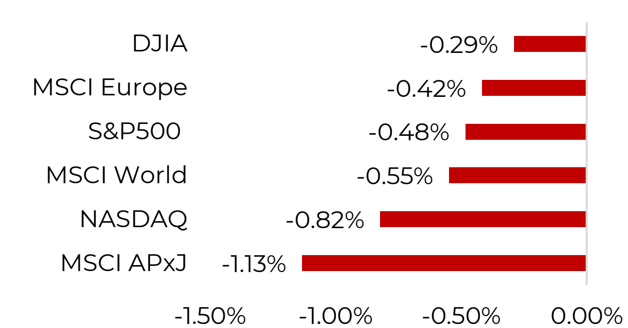
US equities edged lower, led by losses in AI-related stocks after the leaders of Anthropic, OpenAI, and xAI warned about the safety risks associated with the rapid advancement of AI capabilities. The S&P 500 closed at 7,619.98 (-0.48% DoD), while the DJIA ended at 52,421.20 (-0.29% DoD).

US Treasury yields climbed, and the **US dollar** strengthened to a two-week high amid safe-haven demand as the Middle East conflict showed no signs of easing, lifting oil prices higher and raising bets of a Fed rate hike in this week's policy meeting.

On average, yields rose by 2.11 bps, with the 2Y closing at 4.66% (+3.40 bps) and the 10Y closing at 4.99% (+2.10 bps).

The DXY closed at 99.39 (+0.27% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,619.98	-0.48%
DJIA	52,421.20	-0.29%
NASDAQ	29,127.16	-0.82%
3-mo US Treasury yield	4.05%	+3.00 bps
2-yr US Treasury yield	4.66%	+3.40 bps
5-yr US Treasury yield	4.82%	+4.00 bps
10-yr US Treasury yield	4.99%	+2.10 bps
DXY	99.39	+0.27%