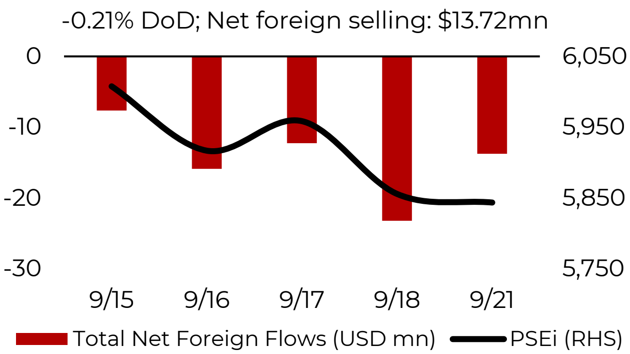
The Morning View

BPI WEALTH

September 22, 2026

Philippine Stock Exchange Index



	Level	DoD
PSEi	5,843.79	-0.21%
3-mo bond yield	5.40%	+2.59 bps
2-yr bond yield	6.68%	+4.09 bps
5-yr bond yield	7.37%	+2.95 bps
10-yr bond yield	7.57%	-0.73 bps
USDPHP	62.78	+0.05%
Oil (Brent, $ / barrel)	100.34	-3.40%

Fitch Solutions' unit BMI Research lowered its 2026 PH Gross Domestic Product (GDP) growth forecast to 3.3% (previous: 4.7%), below the PH government's revised 3.5-4.5% target. The downgrade was due to renewed scrutiny over the flood control scandal, public infrastructure project delays, and soft household spending. BMI also warned that growth could be slower at 3.1% if public capital outlays come in weaker than expected in 3Q26.

Ayala Corp. (PSE Ticker: AC) announced that Mitsubishi Corp. will raise its economic stake in AC from 4.7% to 15% and its voting interest to 20% through a Php44.5-billion investment. The transaction is priced at Php650 per common share and involves primary and secondary shares alongside a voluntary tender offer for up to 30 million public shares.

Local equities fell, **local fixed income yields** closed mixed, and the **Philippine peso** weakened amid cautious sentiment following Houthi attacks on Saudi Arabia as well as fresh threats between the US and Iran. The local market also digested hawkish comments from US Federal Reserve officials.

The PSEi closed at 5,843.79 (-0.21% DoD).

On average, yields rose by 2.88 bps, with the 2Y closing at 6.68% (+4.09 bps) and the 10Y closing at 7.57% (-0.73 bps).

The USD/PHP pair closed at 62.78 (+0.05% DoD).

Houthi forces advanced to capture the strategic Kahboub Mountains to consolidate control over Yemen's Red Sea coast. The offensive proceeded as US President Donald Trump reportedly aborted prepared military. To mitigate supply disruptions, Saudi Arabia raised Strait of Hormuz crude exports to 2.9 million barrels per day via ship-to-ship transfers, helping slightly ease oil prices.

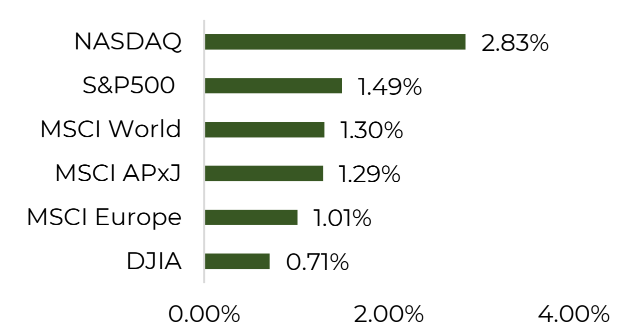
Chicago Fed President Austan Goolsbee, a 2027 voter, said inflation may increasingly be driven by resilient US demand rather than solely by supply-side shocks. He pointed to persistent services inflation and strong AI-related capital spending as signs of underlying demand strength, suggesting the Fed may need to potentially raise policy rates further.

US equities rose, led by gains in AI-related technology stocks. Risk sentiment was further supported by a decline in Treasury yields and easing oil prices. The S&P 500 closed at 7,764.70 (+1.49% DoD), while the DJIA ended at 52,048.83 (+0.71% DoD).

US Treasury yields ended mixed but fell on average amid hopes of diplomatic progress between the US and Iran at the UN General Assembly this week. On average, yields fell by 2.19 bps, with the 2Y closing at 4.75% (+0.30 bps) and the 10Y closing at 4.95% (-4.50 bps).

The **US dollar** strengthened amid hawkish remarks from Fed officials, signaling that elevated inflation may warrant more rate hikes. The DXY closed at 100.43 (+0.21% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,764.70	+1.49%
DJIA	52,048.83	+0.71%
NASDAQ	30,482.35	+2.83%
3-mo US Treasury yield	4.09%	+0.40 bps
2-yr US Treasury yield	4.75%	+0.30 bps
5-yr US Treasury yield	4.83%	-2.90 bps
10-yr US Treasury yield	4.95%	-4.50 bps
DXY	100.43	+0.21%