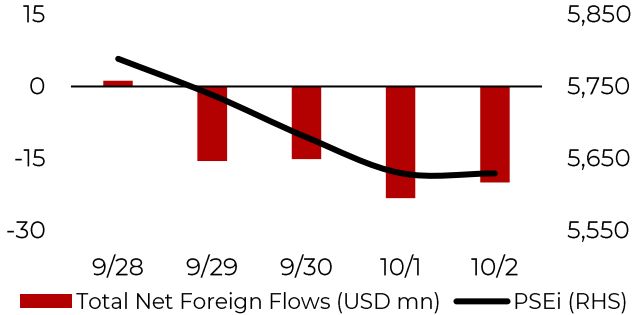


The Morning View

October 5, 2026

Philippine Stock Exchange Index

-0.01% DoD; Net foreign selling: \$20.05mn



	Level	DoD
PSEi	5,629.03	-0.01%
3-mo bond yield	5.52%	+2.20 bps
2-yr bond yield	6.80%	+4.96 bps
5-yr bond yield	7.42%	+0.10 bps
10-yr bond yield	7.66%	+4.83 bps
USDPHP	62.54	-0.38%
Oil (Brent, \$ / barrel)	102.25	-0.06%

The Department of Budget and Management said that infrastructure spending fell by 4% YoY to Php89.6 billion in July (June: Php98.0 billion). The YoY decline eased from 34.1% in June and 25.3% in July 2025, as lower disbursements by the Department of Public Works and Highways were partly offset by capital outlays for military modernization, rural development, and rail transport projects. Year-to-date, infrastructure spending declined by 36.0% YoY to Php457.0 billion.

Manila Electric Co. (PSE Ticker: MER) energy sales volume rose 0.7% YoY to 35,938 gigawatt-hours in the first eight months of 2026. Growth was driven by steady new customer energization, which offset softer organic demand caused by cooler weather. Management expects distribution volumes to recover in 3Q26.

Local equities inched down, local fixed income yields rose, and the Philippine peso strengthened ahead of the September local inflation data release tomorrow. According to a BusinessWorld poll, economists expect the September inflation print to potentially accelerate to a four-month high of 6.7% (Aug.: 6.1%).

The PSEi closed at 5,629.03 (-0.01% DoD).

On average, yields rose by 1.71 bps, with the 2Y closing at 6.80% (+4.96 bps) and the 10Y closing at 7.66% (+4.83 bps).

The USD/PHP pair closed at 62.54 (-0.38% DoD).

OPEC+ agreed to keep oil production targets unchanged for November as Middle East war disruptions continue to constrain global supply. Seven core members, including Saudi Arabia and Russia, left output ceilings steady during a brief online meeting. While August production rose 630,000 barrels per day (bpd) from July to 25 million bpd, core output remains roughly 5 million bpd below prewar levels due to Gulf export bottlenecks.

US nonfarm payrolls increased by 29,000 in September (Revised August: 133,000; Consensus: 90,000), while the unemployment rate rose to 4.2% (August: 4.1%; Consensus: 4.1%). Slower job creation reflects seasonal volatility and labor supply constraints rather than broad layoffs; however, record diesel prices and the Middle East conflict risks pose ongoing headwinds.

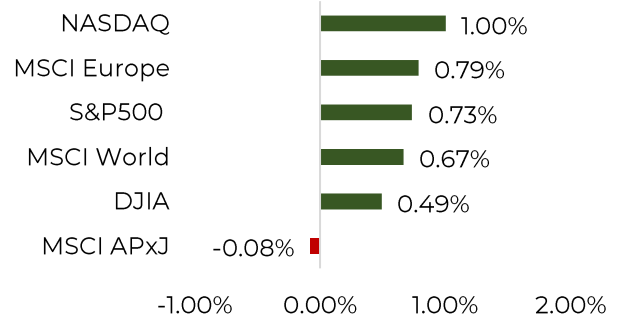
US equities edged higher, **US Treasury yields** rose, and the **US dollar** weakened as the below-consensus September nonfarm payrolls report bolstered hopes that the Fed will hold policy rates steady in October.

The S&P 500 closed at 7,722.72 (+0.73% DoD), while the DJIA ended at 51,176.96 (+0.49% DoD).

On average, yields rose by 2.44 bps, with the 2Y closing at 4.83% (+3.30 bps) and the 10Y closing at 5.28% (+3.00 bps).

The DXY closed at 101.93 (-0.16% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,722.72	+0.73%
DJIA	51,176.96	+0.49%
NASDAQ	30,807.93	+1.00%
3-mo US Treasury yield	4.10%	+1.10 bps
2-yr US Treasury yield	4.83%	+3.30 bps
5-yr US Treasury yield	5.06%	+4.30 bps
10-yr US Treasury yield	5.28%	+3.00 bps
DXY	101.93	-0.16%

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