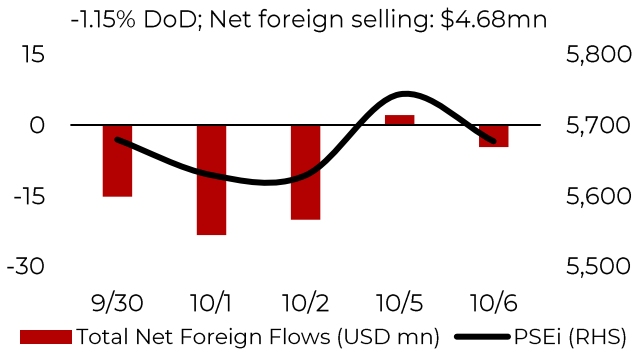


The Morning View

October 7, 2026

Philippine Stock Exchange Index



	Level	DoD
PSEi	5,677.12	-1.15%
3-mo bond yield	5.59%	+2.85 bps
2-yr bond yield	6.81%	+4.66 bps
5-yr bond yield	7.51%	+7.87 bps
10-yr bond yield	7.81%	+18.67 bps
USDPHP	62.77	+0.24%
Oil (Brent, \$ / barrel)	100.58	+0.26%

Philippine headline inflation accelerated to 7.2% in September (August: 6.1%; Consensus: 6.8%), matching the April 2026 pace and the fastest since March 2023. This brought the year-to-date headline inflation to 5.4%, above the Bangko Sentral ng Pilipinas' 2-4% target. The resurgence was driven by faster food, transport, and utilities inflation amid elevated oil prices and weather disturbances during the month. Excluding volatile food and energy prices, core inflation also rose to 4.7% (August: 4.1%).

PLDT Inc. (PSE Ticker: TEL) deferred the planned Php24.2-billion initial public offering of its data center arm, VITRO REIT, Inc. to 2027 from its earlier October 2026 target. The company cited challenging market conditions and elevated interest rates, which have reduced the relative attractiveness of REIT yields versus risk-free benchmark yields.

Local equities fell, **local fixed income yields** jumped and the **Philippine peso** weakened as investors digested the higher-than-anticipated local inflation print of 7.2% for September.

The PSEi closed at 5,677.12 (-1.15% DoD).

On average, yields rose by 7.73 bps, with the 2Y closing at 6.81% (+4.66 bps) and the 10Y closing at 7.81% (+18.67 bps).

The USD/PHP pair closed at 62.77 (+0.24% DoD).

The US Energy Information Administration (EIA) raised its 2026 average Brent crude price forecast by 8% to \$98 per barrel as global inventories fall and Middle East war disruptions persist. The EIA added that tight diesel supplies are boosting crude demand as refiners seek to maximize diesel output.

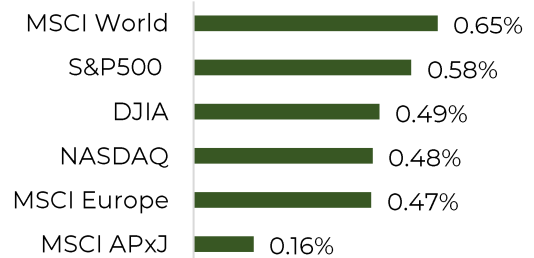
San Francisco Fed President Mary Daly said further rate hikes would depend on whether inflation shocks from tariffs, oil prices, and AI-related demand prove temporary. She noted that compounding price pressures could keep inflation elevated and warrant additional policy tightening.

US equities rose, led by chipmakers as investors grew more optimistic about AI-driven demand. Sentiment was also supported by Marvell Technology's long-term revenue guidance that exceeded analysts' expectations. The S&P 500 closed at 7,818.93 (+0.58% DoD), while the DJIA ended at 51,521.28 (+0.49% DoD).

US Treasury yields eased after Treasury Secretary Bessent said stronger growth and spending restraint could quickly improve the US fiscal outlook, easing concerns over the country's debt burden. On average, yields fell by 1.06 bps, with the 2Y closing at 4.80% (-1.40 bps) and the 10Y closing at 5.28% (-2.50 bps).

The **US dollar** weakened as markets weighed the wider US trade deficit of \$105.6 billion in August (+14% MoM) and awaited the release of the Fed's September meeting minutes. The DXY closed at 101.83 (-0.33% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,818.93	+0.58%
DJIA	51,521.28	+0.49%
NASDAQ	31,224.47	+0.48%
3-mo US Treasury yield	4.15%	+2.70 bps
2-yr US Treasury yield	4.80%	-1.40 bps
5-yr US Treasury yield	5.04%	-2.30 bps
10-yr US Treasury yield	5.28%	-2.50 bps
DXY	101.83	-0.33%

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