

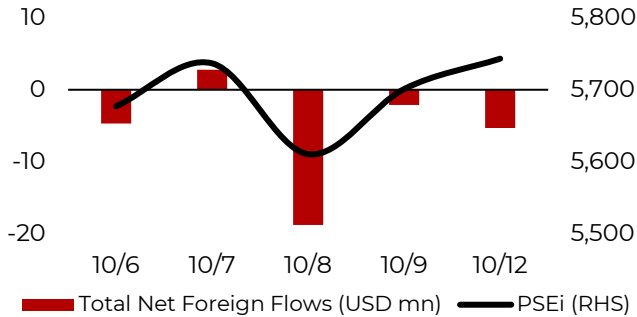


The Morning View

October 13, 2026

Philippine Stock Exchange Index

+0.74% DoD; Net foreign selling: \$5.30mn



	Level	DoD
PSEi	5,743.18	+0.74%
3-mo bond yield	5.80%	+3.35 bps
2-yr bond yield	6.95%	-1.95 bps
5-yr bond yield	7.62%	+0.01 bps
10-yr bond yield	7.82%	-4.90 bps
USDPHP	62.76	-0.07%
Oil (Brent, \$ / barrel)	106.65	+1.84%

The House of Representatives approved the proposed Php7.2-trillion national budget for 2027 in a 281-13 vote. The spending plan is 6% higher than the Php6.793-trillion budget for 2026. The House version included Php116.32 billion in realignments, with additional funding for education, agriculture, infrastructure, transportation, social welfare, and health.

Energy Regulatory Commission (ERC) approved a provisional Php2.64 billion refund for Manila Electric Co. (Meralco, PSE Ticker: MER) to return excess distribution charges collected from its customers. Residential customers will receive a Php0.1733 per kWh refund which will take effect in the next billing cycle.

Local equities rose amid continued bargain hunting, and the **Philippine peso** slightly strengthened as investors awaited the US consumer price index (CPI) inflation report this week and remained cautious as global oil prices increased.

The PSEi closed at 5,743.18 (+0.74% DoD).

The USD/PHP pair closed at 62.76 (-0.07% DoD).

Local fixed income yields declined on bargain hunting amid elevated yield levels. This was also despite the Bureau of the Treasury partially awarding its T-bills on weak demand. On average, yields fell by 0.91 bps, with the 2Y closing at 6.95% (-1.95 bps) and the 10Y closing at 7.82% (-4.90 bps).

Cleveland Fed President Beth Hammack, a 2026 voter, said she hopes the Fed can lower inflation without harming the labor market. However, Hammack noted that this could entail moderating the pace of corporate investments or the market-driven wealth gains fueling consumer spending.

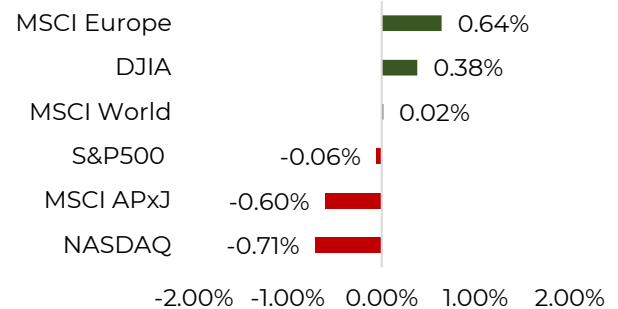
Iran said it is reviewing the US response to its proposal for reopening the Strait of Hormuz and will reply through intermediaries once the assessment is complete. Talks remain stalled over Washington's insistence on addressing Iran's nuclear program first, while Tehran wants negotiations to prioritize reopening the waterway and restoring maritime security.

US equities closed mixed as oil prices rose, while investors looked ahead to the start of the 3Q26 earnings season as well as the US CPI inflation data this week. The S&P 500 closed at 7,807.24 (-0.06% DoD), while the DJIA ended at 51,850.55 (+0.38% DoD).

US Treasury yields were unchanged as the US bond market was closed in observance of the Indigenous Peoples' Day holiday. The 2Y yield stood at 4.79%, and the 10Y yield stood at 5.24%.

The **US dollar** strengthened as oil prices rose following attacks on Saudi Arabia, overshadowing US President Trump's announced Russia-Ukraine energy ceasefire and the potential fresh supply from Russian diesel exports. The DXY closed at 102.59 (+0.37% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,807.24	-0.06%
DJIA	51,850.55	+0.38%
NASDAQ	30,664.70	-0.71%
3-mo US Treasury yield	4.16%	0.00 bps
2-yr US Treasury yield	4.79%	0.00 bps
5-yr US Treasury yield	5.02%	0.00 bps
10-yr US Treasury yield	5.24%	0.00 bps
DXY	102.59	+0.37%

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