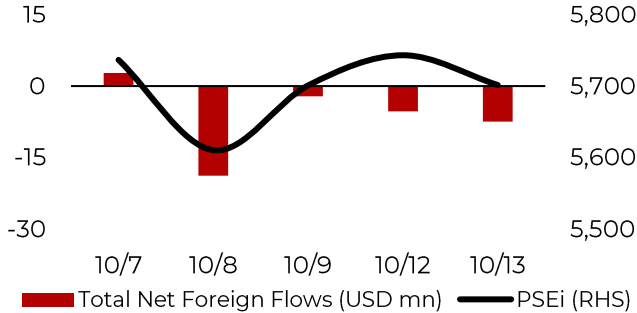


The Morning View

October 14, 2026

Philippine Stock Exchange Index

-0.73% DoD; Net foreign selling: \$7.47mn



	Level	DoD
PSEi	5,701.54	-0.73%
3-mo bond yield	5.81%	+1.47 bps
2-yr bond yield	7.03%	+8.11 bps
5-yr bond yield	7.67%	+4.04 bps
10-yr bond yield	7.82%	-0.64 bps
USDPHP	62.80	+0.06%
Oil (Brent, \$ / barrel)	105.69	-0.90%

The Bangko Sentral ng Pilipinas (BSP) reported that foreign direct investment (FDI) net inflows reached \$689 million in July (+54.14% MoM, -44.12% YoY). While this level was a six-month high, it still marked the first annual decline since April as investor sentiment remained cautious amid global economic uncertainty. From January to July, net FDI inflows were down by 23.9% YoY to \$4.07 billion.

Manila Electric Co. (PSE Ticker: MER) increased its October overall electricity rate to Php15.0615 per kilowatt-hour due to a rise in generation charges and peso depreciation. MER confirmed that the Php2.64 billion customer refund and the distribution rate reset will both take effect in November.

Local equities fell as investors took profit after the market's two-day climb and amid cautious sentiment over the lingering Middle East tensions. The PSEi closed at 5,701.54 (-0.73% DoD).

Local fixed income yields ended mixed as the Bureau of the Treasury only partially awarded its dual-tenor T-bond offering amid investors' demand for higher yields. On average, yields rose by 3.53 bps, with the 2Y closing at 7.03% (+8.11 bps) and the 10Y closing at 7.82% (-0.64 bps).

The **Philippine peso** weakened after the BSP reported that foreign direct investment net inflows dropped by 44.12% YoY in July. The USD/PHP pair closed at 62.80 (+0.06% DoD).

US existing home sales rose by 1.5% MoM in September (Consensus: -0.8%; Revised August: -3.2%) to a seasonally adjusted annual rate of 3.99 million units. The unexpected increase likely reflected delayed closings and improved housing inventory, which reached its highest level since November 2019.

New York Fed President John Williams and Boston Fed President Susan Collins supported one more rate hike in 2026, with Williams seeing rates on hold in 2027. Meanwhile, Chicago Fed President Austan Goolsbee warned that AI-driven price pressures are spreading beyond data centers.

US equities fell as investors digested mixed earnings results from major US banks. Sentiment was further weighed by management commentary highlighting rising long-term interest rates as a potential headwind next year. The S&P 500 closed at 7,805.45 (-0.02% DoD), while the DJIA ended at 51,670.1 (-0.35% DoD).

US Treasury yields inched down, and the **US dollar** weakened as oil prices eased after Russia said it could restore exports above levels outlined by President Trump. Investors also assessed the remarks from Fed's Williams, saying he sees one more rate hike this year but no need for further increases in 2027.

On average, yields fell by 1.56 bps, with the 2Y closing at 4.79% (flat) and the 10Y closing at 5.21% (-2.90 bps).

The DXY closed at 102.22 (-0.36% DoD).

Global Stock Indices

MSCI World	0.03%
S&P500	-0.02%
MSCI Europe	-0.14%
NASDAQ	-0.31%
DJIA	-0.35%
MSCI APxJ	-2.02%

	Level	DoD
S&P 500	7,805.45	-0.02%
DJIA	51,670.10	-0.35%
NASDAQ	30,569.48	-0.31%
3-mo US Treasury yield	4.16%	+0.20 bps
2-yr US Treasury yield	4.79%	0.00 bps
5-yr US Treasury yield	5.00%	-1.50 bps
10-yr US Treasury yield	5.21%	-2.90 bps
DXY	102.22	-0.36%

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