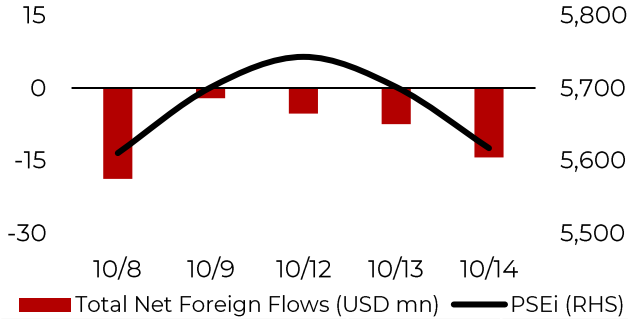


The Morning View

October 15, 2026

Philippine Stock Exchange Index

-1.48% DoD; Net foreign selling: \$14.33mn



	Level	DoD
PSEi	5,617.23	-1.48%
3-mo bond yield	5.72%	-8.54 bps
2-yr bond yield	7.05%	+1.18 bps
5-yr bond yield	7.68%	+1.35 bps
10-yr bond yield	8.01%	+19.43 bps
USDPHP	62.87	+0.11%
Oil (Brent, \$ / barrel)	106.06	+0.35%

The Senate aims to complete deliberations on the Php7.2-trillion 2027 national budget by the second week of December.

The Senate will first independently review the House-approved version, focusing on changes to funding for infrastructure, disaster preparedness, and health programs.

Manila Water Co., Inc. (PSE Ticker: MWC) will submit its 2028–2032 rate rebasing service plan and capital expenditure proposal by March 31, 2027.

The proposal will build on MWC's Php181-billion 2023–2027 service plan, comprising Php105 billion in capital expenditures and Php76 billion in operating expenditures. This will serve as the basis for determining water and wastewater tariffs for the East Zone for the next rate rebasing period.

Local equities fell after the International Monetary Fund warned that the Philippines may record one of the region's weakest economic growth this year amid weak investment and elevated inflation. The PSEi closed at 5,617.23 (-1.48% DoD).

Local fixed income yields rose, and the **Philippine peso** weakened as investors weighed lingering geopolitical tensions and positioned ahead of the September US inflation data release.

On average, yields rose by 1.78 bps, with the 2Y closing at 7.05% (+1.18 bps) and the 10Y closing at 8.01% (+19.43 bps).

The USD/PHP pair closed at 62.80 (+0.06% DoD).

US Consumer Price Index (CPI) inflation accelerated to 3.7% YoY (Consensus: 3.6%; August: 3.4%), the fastest reading since April this year.

This was driven by a surge in energy costs, particularly gasoline and fuel oil. Likewise, core CPI inflation, which excludes food and energy, rose to 2.6% YoY (Consensus: 2.5%; August: 2.4%). This faster core print was attributed to higher shelter costs, while core goods prices also rose.

San Francisco Fed President Mary Daly said further rate hikes are likely but not urgent, while Fed Vice Chair Michelle Bowman favored waiting for more data before acting.

Moreover, Chicago Fed President Austan Goolsbee called September's CPI report "discouraging," citing persistent services inflation and broader price pressures.

US equities fell, **US Treasury yields** were mixed, and the **US dollar** strengthened as the hotter-than-expected September CPI inflation fueled concerns over further Fed rate hikes.

The S&P 500 closed at 7,718.94 (-1.11% DoD), while the DJIA ended at 51,621.48 (-0.09% DoD).

On average, yields fell by 0.33 bps, with the 2Y closing at 4.80% (+1.10 bps) and the 10Y closing at 5.19% (-2.30 bps).

The DXY closed at 102.55 (+0.37% DoD).

Global Stock Indices

MSCI Europe		0.46%
MSCI APxJ	-0.04%	
DJIA	-0.09%	
MSCI World	-0.98%	
S&P500	-1.11%	
NASDAQ	-2.02%	

-3.00% -2.00% -1.00% 0.00% 1.00%

	Level	DoD
S&P 500	7,718.94	-1.11%
DJIA	51,621.48	-0.09%
NASDAQ	29,950.82	-2.02%
3-mo US Treasury yield	4.20%	+4.10 bps
2-yr US Treasury yield	4.80%	+1.10 bps
5-yr US Treasury yield	4.99%	-1.40 bps
10-yr US Treasury yield	5.19%	-2.30 bps
DXY	102.55	+0.37%

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