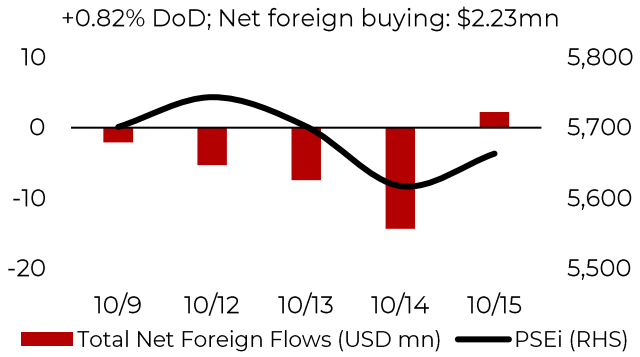
The Morning View

October 16, 2026

Philippine Stock Exchange Index



	Level	DoD
PSEi	5,663.17	+0.82%
3-mo bond yield	5.70%	-2.21 bps
2-yr bond yield	7.06%	+0.87 bps
5-yr bond yield	7.68%	+0.03 bps
10-yr bond yield	8.02%	+0.35 bps
USDPHP	63.06	+0.30%
Oil (Brent, $ / barrel)	105.92	-0.13%

The Bangko Sentral ng Pilipinas (BSP) reported that Overseas Filipino Workers' (OFWs) cash remittances rose by 1.9% YoY to $3.035 billion in August (July: +1.9%), growing below the 2%-level for the third straight month. The moderation was attributed to softer worker deployment, global uncertainties, and weather-related disruptions. In 8M26, OFW cash remittances increased by 2.2% YoY to $23.424 billion (8M25: +3.1%).

Megaworld Corp. (PSE Ticker: MEG) reported a consumer shift toward fewer mall visits, with shoppers maximizing each trip by staying 3 to 4 hours due to higher fuel and parking costs. To capture spending during longer visits, the company is adjusting tenant mix across its 27 malls while advancing plans to expand retail gross leasable area to one million square meters by 2030.

Local equities rose despite lingering cautious sentiment driven by bargain hunting after the recent sell-off. The PSEi closed at 5,633.17 (+0.82% DoD).

Local fixed income yields closed mixed and the **Philippine peso** weakened to a new record low following the faster-than-expected US consumer price index (CPI) inflation of 3.7% YoY in September.

On average, yields fell by 0.38 bps, with the 2Y closing at 7.06% (+0.87 bps) and the 10Y closing at 8.02% (+0.35 bps).

The USD/PHP pair closed at 63.06 (+0.3% DoD).

US retail sales rose 0.8% MoM in September (Consensus: 0.3%; Prior revised: 1.3%), driven largely by a 7.1% surge in gasoline prices. Core control group sales (excluding autos, gas, building materials, and food services) edged up just 0.1% (Consensus: 0.3%; Prior revised: 1.2%), pointing to moderate underlying consumer demand elsewhere amid falling inflation-adjusted wages and rising pressure on lower-income households.

US producer price index (PPI) surged 1.3% MoM in September (August: +0.5%; Consensus: +0.6%), the largest rise since March 2022. The increase was driven by higher energy, food, and services costs, with gasoline prices jumping 20.3% MoM and trade-service margins rising 1.4% MoM.

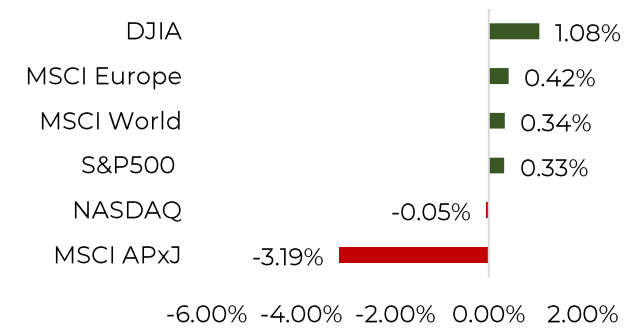
US equities rose as investors rotated to healthcare stocks amid concerns on AI growth. The S&P 500 closed at 7,744.06 (+0.33% DoD), while the DJIA ended at 52,177.69 (+1.08% DoD).

US Treasury yields fell and the **US dollar** slightly weakened as cautious remarks from Fed officials tempered expectations for an October rate hike. Daly said further tightening would likely be needed but saw no urgency to act, while Bowman favored waiting to assess the economy before taking further action.

On average, yields fell by 7.34 bps, with the 2Y closing at 4.74% (-6.20 bps) and the 10Y closing at 5.06% (-12.80 bps).

The DXY closed at 102.00 (-0.54% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,744.06	+0.33%
DJIA	52,177.69	+1.08%
NASDAQ	29,935.59	-0.05%
3-mo US Treasury yield	4.20%	-0.60 bps
2-yr US Treasury yield	4.74%	-6.20 bps
5-yr US Treasury yield	4.88%	-11.00 bps
10-yr US Treasury yield	5.06%	-12.80 bps
DXY	102.00	-0.54%

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