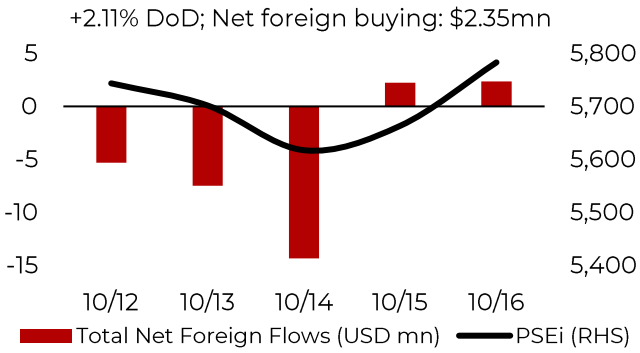
The Morning View

October 19, 2026

Philippine Stock Exchange Index



	Level	DoD
PSEi	5,782.70	+2.11%
3-mo bond yield	5.68%	-2.58 bps
2-yr bond yield	7.06%	+0.53 bps
5-yr bond yield	7.67%	-0.53 bps
10-yr bond yield	8.02%	+0.23 bps
USDPHP	62.99	-0.12%
Oil (Brent, $ / barrel)	109.86	+3.72%

A BusinessWorld poll showed that 20 of 22 economists expect the Bangko Sentral ng Pilipinas (BSP) to hike rates by 25 bps at its October 22 policy meeting, while the remaining two expect a 50-bp hike. The expected tightening reflects renewed and persistent inflationary pressures. A 25-bp hike would bring the benchmark rate to 5.25%, its highest level in a year and a half.

DMCI Homes (PSE Ticker: DMC) partnered with Pag-IBIG Fund to provide state housing loan financing for up to 3,990 condominium units. Anissa Heights in Pasay City serves as the initial accredited project, while 15 additional developments remain pending approval.

Local equities rose on bargain hunting and as lower global yields helped improve market sentiment. The PSEi closed at 5,782.70 (+2.11% DoD).

Local fixed income yields rose ahead of the BSP's policy decision this week. Elevated oil prices and continued peso weakness increased bets of further policy tightening from the central bank. On average, yields rose by 0.32 bps, with the 2Y closing at 7.06% (+0.53 bps) and the 10Y closing at 8.02% (+0.23 bps).

The **Philippine peso** slightly strengthened on profit-taking, recovering from its intraday low of 63.23 against the US dollar. Traders also looked ahead to the BSP policy decision this week. The USD/PHP pair closed at 62.99 (-0.12% DoD).

Oil prices rose driven by Middle East war escalation and Russian supply disruptions after Iranian-backed Houthi strikes on Saudi infrastructure, and a drone attack disabling Russia's Ryazan refinery. In response, the International Energy Agency agreed to release over 20 million fuel barrels while the US requested up to 17 million barrels from the Strategic Petroleum Reserve.

Fed Chair Kevin Warsh noted the resilience of the US and global economies despite energy shocks and tighter monetary policy, supported by an AI-led investment surge. However, he declined to provide guidance on the policy rate path, while warning that stronger investment demand is adding to inflationary pressures.

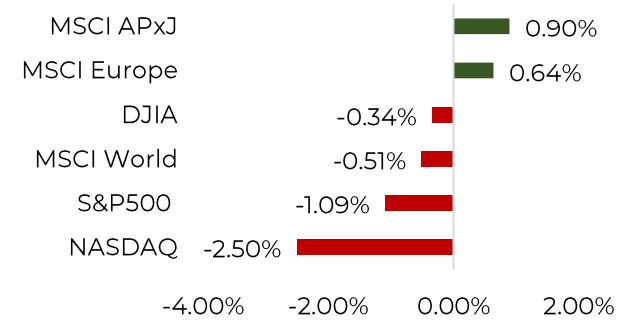
US equities fell, dragged by technology stocks, amid concerns over high debt levels among AI infrastructure companies amid rising borrowing costs. Higher oil prices also weighed on sentiment. The S&P 500 closed at 7,659.44 (-1.09% DoD), while the DJIA ended at 52,002.41 (-0.34% DoD).

US Treasury yields closed mixed and the **US dollar** weakened after Fed Chair Warsh reiterated the Fed's commitment to price stability in his latest speech but noted he does not want to prejudge meetings, leaving no guidance on policy rate path.

On average, yields fell by 0.49 bps, with the 2Y closing at 4.71% (-3.20 bps) and the 10Y closing at 5.08% (+1.50 bps).

The DXY closed at 101.84 (-0.16% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,659.44	-1.09%
DJIA	52,002.41	-0.34%
NASDAQ	29,187.55	-2.50%
3-mo US Treasury yield	4.18%	-2.10 bps
2-yr US Treasury yield	4.71%	-3.20 bps
5-yr US Treasury yield	4.87%	-0.90 bps
10-yr US Treasury yield	5.08%	+1.50 bps
DXY	101.84	-0.16%

This material, which is strictly for information purposes only, is for your sole use, does not constitute a recommendation or an offer to sell or a solicitation to buy any financial product. Any information is subject to change without notice and BPI Wealth is not under any obligation to update or keep current the information contained herein. You are advised to make your own independent judgment with respect to the matter contained in this document. No liability whatsoever is accepted for any loss that may arise (whether direct or consequential) from any use of the information contained herein.

All funds managed by BPI Wealth are Trust and/or Investment Management Funds, which do not carry any guarantee of income or principal, and are NOT covered by the Philippine Deposit Insurance Corporation. Past performance is not a guarantee of future results. BPI Wealth Investment Funds are valued daily using the marked-to-market method.