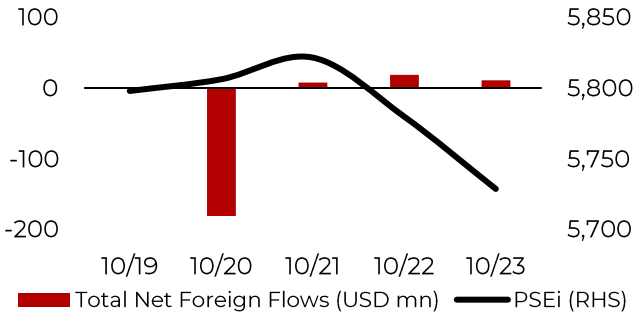
# The Morning View

October 26, 2026

## Philippine Stock Exchange Index

-0.88% DoD; Net foreign buying: $10.76mn




| | Level | DoD |
|---|---|---|
| PSEi | 5,728.63 | -0.88% |
| 3-mo bond yield | 5.75% | +1.68 bps |
| 2-yr bond yield | 7.19% | +3.42 bps |
| 5-yr bond yield | 7.85% | +1.34 bps |
| 10-yr bond yield | 8.05% | +1.85 bps |
| USDPHP | 63.62 | +0.15% |
| Oil (Brent, $ / barrel) | 116.72 | +3.14% |

**Government infrastructure spending fell by 16.9% YoY to Php70.5 billion in August (July: Php89.6 billion), declining for the 14th straight month.** The contraction was driven by slower Department of Public Works and Highways disbursements and adverse weather conditions. As of 8M26, government infrastructure spending dropped by 34.6% YoY to Php522.0 billion.

**Toyota Motor Philippines Corp., an affiliate of GT Capital Holdings, Inc. (PSE Ticker: GTCAP), projects 2026 export sales to ease to $1.06 billion (2025: $1.09 billion) amid global trade headwinds and softer automotive demand.** To preserve local manufacturing competitiveness, the automaker urged the government to fulfill its Php5.16-billion Comprehensive Automotive Resurgence Strategy program commitments.

**Local equities** declined and **local fixed-income yields** rose as investors weighed the prospect of further policy tightening from the Bangko Sentral ng Pilipinas. Meanwhile, the **Philippine peso** weakened to a new all time low after global oil prices jumped amid escalating Middle East tensions.

The PSEi closed at 5,728.63 (-0.88% DoD).

On average, yields rose by 1.97 bps, with the 2Y closing at 7.19% (+3.42 bps) and the 10Y closing at 8.05% (+1.85 bps).

The USD/PHP pair closed at 63.62 (+0.15% DoD).

**US President Donald Trump modified the list of Canadian goods subject to the 50% Section 338 tariffs, effective October 30.** The changes exempt certain products, including corrugated paper, refrigeration equipment, machinery, and seaweed and algae products, while adding other Canadian goods, such as valves, carpets, and waste products, to the tariff list.

**University of Michigan's US consumer sentiment slipped to 48.0 in October (September: 48.1; Consensus: 46.3),** the second-lowest on record, as rising prices weighed on purchasing power. Consumers' one-year inflation expectations rose to 4.7% from 4.6% last month, while the five-year expectation rose to 3.5% from 3.4%.

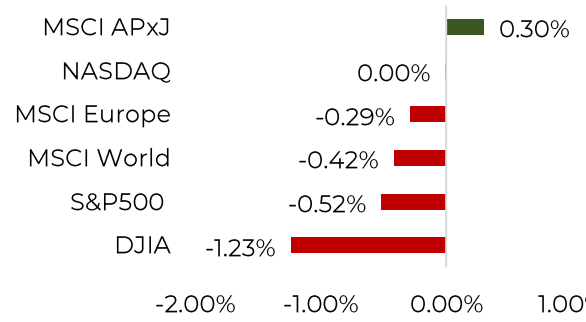
**US equities** fell, **US Treasury yields** climbed, and the **US dollar** strengthened as oil prices rose amid intensifying tensions between Iran-backed Houthis and Saudi Arabia, as well as growing speculations of new military attacks on Iran after Israeli and US elections. Investors also turned cautious ahead of the US Federal Reserve's policy rate decision this week.

The S&P 500 closed at 7,623.68 (-0.52% DoD), while the DJIA ended at 52,215.16 (-1.23% DoD).

On average, yields rose by 3.23 bps, with the 2Y closing at 4.69% (+4.20 bps) and the 10Y closing at 5.00% (+4.00 bps).

The DXY closed at 101.81 (+0.20% DoD).

## Global Stock Indices




| | Level | DoD |
|---|---|---|
| S&P 500 | 7,623.68 | -0.52% |
| DJIA | 52,215.16 | -1.23% |
| NASDAQ | 28,957.53 | -0.00% |
| 3-mo US Treasury yield | 4.14% | -0.40 bps |
| 2-yr US Treasury yield | 4.69% | +4.20 bps |
| 5-yr US Treasury yield | 4.81% | +3.70 bps |
| 10-yr US Treasury yield | 5.00% | +4.00 bps |
| DXY | 101.81 | +0.20% |

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