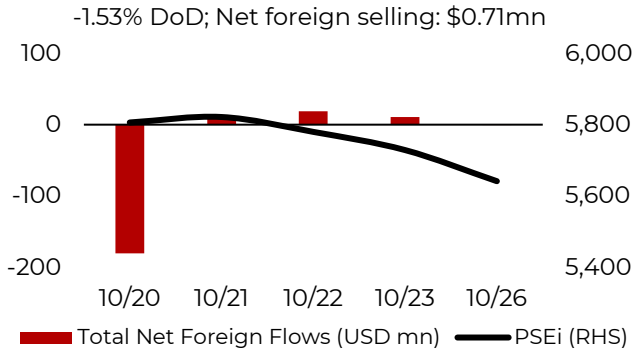
The Morning View

October 27, 2026

Philippine Stock Exchange Index



	Level	DoD
PSEi	5,641.18	-1.53%
3-mo bond yield	5.86%	+10.28 bps
2-yr bond yield	7.18%	-1.29 bps
5-yr bond yield	7.85%	-0.27 bps
10-yr bond yield	8.08%	+2.68 bps
USDPHP	63.95	+0.53%
Oil (Brent, $ / barrel)	115.81	-0.78%

The Department of Budget and Management (DBM) reported that 91.7% of the 2026 national budget had been released as of end-September (9M25: 93.15%), amounting to Php6.231 trillion. The slower pace was mainly due to lower release rates for government agencies and departments and special purpose funds, while automatic appropriations remained broadly stable.

Converge ICT Solutions, Inc. (PSE Ticker: CNVRG) may fall short of its Php18-billion 2026 capital expenditure target due to network rollout delays in Visayas and Mindanao. Project delays disrupted payment schedules within its Php17-billion to Php20-billion budget guidance, though recurring fiber revenues are expected to sustain overall top-line growth.

Local equities declined after reports of government infrastructure spending declining for the 14th straight month raised concerns over economic growth. The PSEi closed at 5,641.18 (-1.53% DoD).

Local fixed-income yields ended mixed but rose on average as investors continued to digest the Bangko Sentral ng Pilipinas' hawkish tone in its latest policy meeting. On average, yields rose by 4.56 bps, with the 2Y closing at 7.18% (-1.29 bps) and the 10Y closing at 8.08% (+2.68 bps).

The **Philippine peso** weakened to a fresh low amid elevated oil prices raised concerns on the country's external balance. The USD/PHP pair closed at 63.95 (+0.53% DoD).

The US and Canada are negotiating a potential agreement to ease Section 232 tariffs of up to 50% on Canadian steel and 25% on automobiles, as both countries seek to repair trade relations after talks collapsed in August. A narrower deal could be reached before the November 3 US midterm elections, although Washington is seeking additional concessions from Ottawa.

South Korea's gross domestic product (GDP) expanded 1.0% QoQ in 3Q26 (Consensus: 0.8%) on booming semiconductor exports. Facility investments jumped 4.1% and exports rose 2.3%, pushing year-to-date shipments toward $1 trillion despite a 0.2% drop in private consumption.

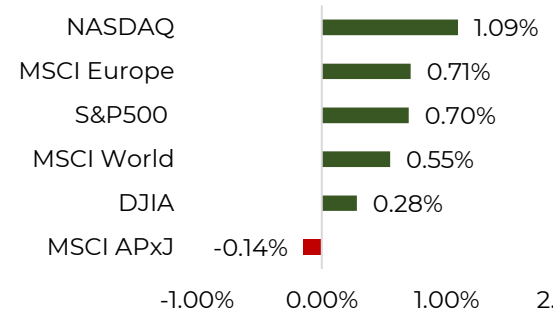
US equities recovered as renewed AI optimism lifted tech stocks following Anthropic's filing for initial public offering. Lower oil prices also supported sentiment. The S&P 500 closed at 7,676.77 (+0.70% DoD), while the DJIA ended at 52,361.58 (+0.28% DoD).

US Treasury yields were mixed, and the **US dollar** strengthened as investors positioned ahead of the Fed's policy rate decision, the September US personal consumption expenditures (PCE) inflation and 3Q26 US GDP data this week.

On average, yields rose by 0.66 bps, with the 2Y closing at 4.72% (+3.60 bps) and the 10Y closing at 4.99% (-0.70 bps).

The DXY closed at 101.96 (+0.15% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,676.77	+0.70%
DJIA	52,361.58	+0.28%
NASDAQ	29,273.40	+1.09%
3-mo US Treasury yield	4.13%	-1.40 bps
2-yr US Treasury yield	4.72%	+3.60 bps
5-yr US Treasury yield	4.83%	+1.80 bps
10-yr US Treasury yield	4.99%	-0.70 bps
DXY	101.96	+0.15%

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