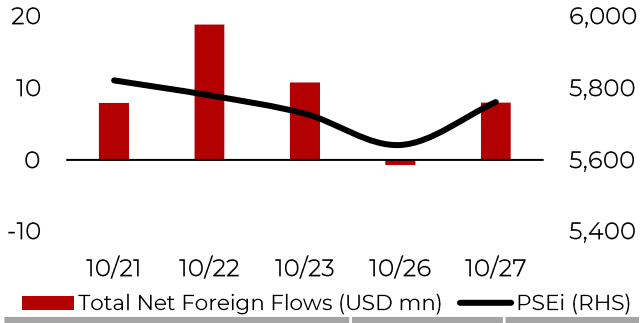
The Morning View

October 28, 2026

Philippine Stock Exchange Index

+2.13% DoD; Net foreign buying: $7.97mn



	Level	DoD
PSEi	5,761.19	+2.13%
3-mo bond yield	5.86%	+0.26 bps
2-yr bond yield	7.25%	+7.28 bps
5-yr bond yield	7.93%	+8.10 bps
10-yr bond yield	8.14%	+5.80 bps
USDPHP	64.17	+0.34%
Oil (Brent, $ / barrel)	113.88	-1.67%

The Department of Energy (DoE) warned that the Philippine peso's continued weakening to record lows could push electricity rates higher. The weaker local currency raises the peso cost of imported coal, diesel, and liquefied natural gas, which may be passed on through generation charges. The DoE will coordinate with the Energy Regulatory Commission on measures to delay or soften the impact on consumers.

Maynilad Water Services, Inc. (PSE Ticker: MYNLD) allocated Php10 billion to rehabilitate its La Mesa water treatment facilities to bolster supply reliability against El Niño risks. The investment expands raw water storage to 200 MLD by December and upgrades Treatment Plant 1 to process peak turbidity levels.

Local equities rebound amid bargain hunting after the selloff in the previous day. Recent talks among Middle East countries also lifted market sentiment. The PSEi closed at 5,761.19 (+2.13% DoD).

Local fixed-income yields jumped after the Bureau of the Treasury only partially awarded its dual-tranche T-bonds as investors worried about higher inflation amid lingering Middle East conflict. On average, yields rose by 4.05 bps, with the 2Y closing at 7.25% (+7.28 bps) and the 10Y closing at 8.14% (+5.80 bps).

The **Philippine peso** weakened to a new record low amid cautious sentiment over elevated oil prices. This was also ahead of the Fed's policy decision. The USD/PHP pair closed at 64.17 (+0.34% DoD).

The Conference Board's US Consumer Confidence Index rose to 91.7 in October (September: 84.2; Consensus: 81.0), marking its first increase in four months as gasoline prices eased. Meanwhile, consumers' assessments of current conditions and short-term expectations improved, although concerns over elevated living costs persisted.

Oil prices eased off six-month highs as peace talks between Iran and regional neighbors offset supply risks from Houthi missile strikes. Despite diplomatic discussions in Tehran, ongoing shipping disruptions in the Strait of Hormuz and potential Israeli political shifts keep oil risk premiums elevated.

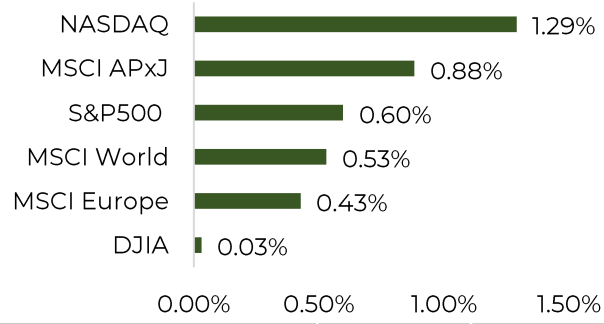
US equities extended their gains amid continued optimism in AI and tech stocks, while lower oil prices supported investors' sentiment. The S&P 500 closed at 7,722.60 (+0.60% DoD), while the DJIA ended at 52,377.57 (+0.03% DoD).

US Treasury yields inched higher, and the **US dollar** strengthened as investors awaited the Federal Reserve's policy rate announcement as well as Fed Chair Warsh's statement for potential cues on future monetary policy moves.

On average, yields rose by 0.86 bps, with the 2Y closing at 4.74% (+1.70 bps) and the 10Y closing at 5.00% (+1.10 bps).

The DXY closed at 102.32 (+0.35% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,722.60	+0.60%
DJIA	52,377.57	+0.03%
NASDAQ	29,651.44	+1.29%
3-mo US Treasury yield	4.13%	+0.50 bps
2-yr US Treasury yield	4.74%	+1.70 bps
5-yr US Treasury yield	4.85%	+1.80 bps
10-yr US Treasury yield	5.00%	+1.10 bps
DXY	102.32	+0.35%

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