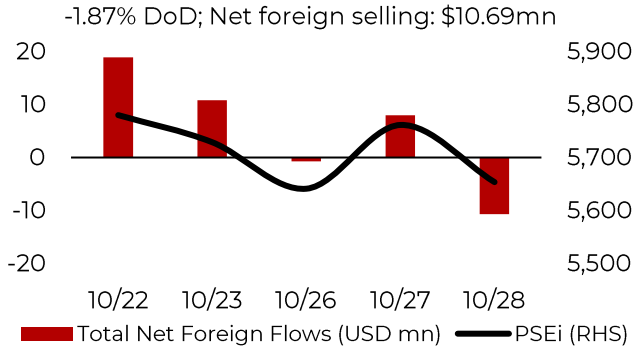
The Morning View

October 29, 2026

Philippine Stock Exchange Index



	Level	DoD
PSEi	5,653.55	-1.87%
3-mo bond yield	5.90%	+3.78 bps
2-yr bond yield	7.33%	+7.83 bps
5-yr bond yield	7.95%	+1.91 bps
10-yr bond yield	8.19%	+5.61 bps
USDPHP	64.03	-0.23%
Oil (Brent, $ / barrel)	115.32	+1.26%

The Bangko Sentral ng Pilipinas (BSP) reported that the PH financial system resources reached a new record high of Php38.56 trillion (+11.2% YoY) as of August. Banks accounted for Php32.17 trillion (+12.5% YoY), while nonbank financial institutions held Php6.39 trillion (+4.7% YoY).

Manila Electric Co. (PSE Ticker: MER) reported a 12% YoY rise in 9M26 consolidated core net income to Php44.8 billion. Stronger power generation and retail supply contributions offset softer 1Q distribution demand, while Energy Regulatory Commission's approval of MER's average tariff provided regulatory clarity to support its Php76.0-billion nine-month capex program.

Local equities fell as the weaker peso continued to weigh on market sentiment. Reports of an attack on a refinery in Saudi Arabia also fueled concerns over renewed inflationary pressures. The PSEi closed at 5,653.55 (-1.87% DoD).

Local fixed-income yields climbed ahead of the US Fed's policy meeting which ended after local market close. On average, yields rose by 2.19 bps, with the 2Y closing at 7.33% (+7.83 bps) and the 10Y closing at 8.19% (+5.61 bps).

The **Philippine peso** slightly strengthened ahead of the Fed policy meeting, where markets widely anticipated a rate pause. The USD/PHP closed at 64.03 (-0.23% DoD).

The US Federal Reserve held its benchmark interest rate steady at 3.75% to 4.00%, with two policymakers favoring a quarter-point hike. The Fed noted that inflation "remains elevated" but signaled that it would await the "accumulation of more information" before taking further action. The decision came alongside an upgraded assessment that economic activity is expanding at a "strong pace."

Oil prices rebounded after Yemen's Iran-aligned Houthis claimed a missile strike on Saudi Arabia's largest refinery, a 550,000-barrel-per-day facility, renewing concerns over supply disruptions. Meanwhile, the two-million-barrel decline in US crude inventories and expectations that OPEC+ will maintain its December output targets added upward pressure on oil prices.

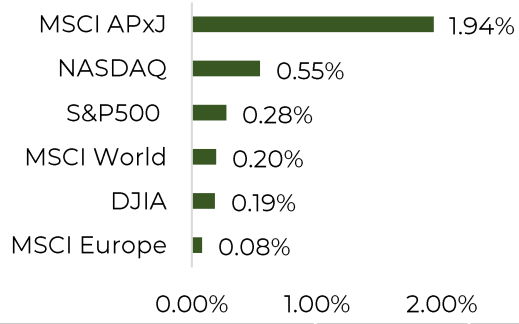
US equities rose, **US Treasury yields** closed mixed, and the **US dollar** weakened after the US Fed decided to hold rates steady, which was in line with market's expectations. This was also ahead of the release of September US Personal Consumption Expenditures (PCE) inflation and 3Q26 US Gross Domestic Product (GDP) data this week.

The S&P 500 closed at 7,743.98 (+0.28% DoD), while the DJIA ended at 52,475.10 (+0.19% DoD).

On average, yields fell by 0.24 bps, with the 2Y closing at 4.70% (-3.90 bps) and the 10Y closing at 5.02% (+1.90 bps).

The DXY closed at 102.19 (-0.12% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,743.98	+0.28%
DJIA	52,475.10	+0.19%
NASDAQ	29,813.16	+0.55%
3-mo US Treasury yield	4.10%	-3.40 bps
2-yr US Treasury yield	4.70%	-3.90 bps
5-yr US Treasury yield	4.84%	-0.70 bps
10-yr US Treasury yield	5.02%	+1.90 bps
DXY	102.19	-0.12%

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