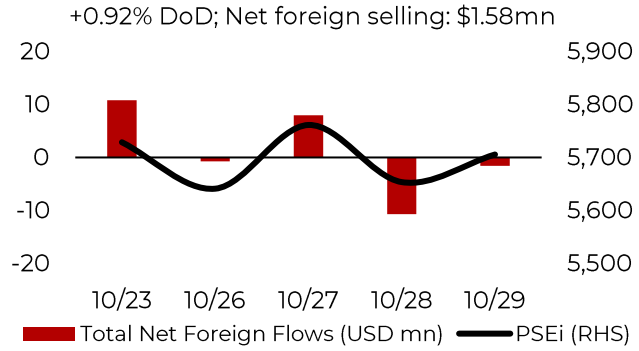
The Morning View

October 30, 2026

Philippine Stock Exchange Index



	Level	DoD
PSEi	5,705.58	+0.92%
3-mo bond yield	5.77%	-12.28 bps
2-yr bond yield	7.37%	+4.60 bps
5-yr bond yield	7.95%	-0.10 bps
10-yr bond yield	8.08%	-11.89 bps
USDPHP	63.85	-0.27%
Oil (Brent, $ / barrel)	114.88	-0.38%

Philippine banks' gross nonperforming loan (NPL) ratio declined to a nine-month low of 3.27% in September (August: 3.35%), as overall loan growth outpaced the increase in bad loans. Total loans rose 11% YoY to Php18.13 trillion, while gross NPLs increased at a slightly slower 10% YoY pace to Php593.3 billion. Meanwhile, the NPL coverage ratio improved to 94.05%, supported by Php558 billion in credit-loss reserves.

Aboitiz Power Corp. (PSE Ticker: AP) reported a 26% YoY drop in 3Q net income to Php7.8 billion due to lower availability of its coal-fired power plants. Despite 3Q operational headwinds, nine-month net income grew by 13% YoY to Php26.2 billion on higher power generation margins, WESM market prices, and expanded capacity from new solar plants and the CBK hydro complex.

Local equities rose, **local fixed-income yields** ended mixed, and the **Philippine peso** slightly strengthened after the US Federal Reserve decided to hold interest rates steady at its October policy meeting.

The PSEi closed at 5,705.58 (+0.92% DoD).

On average, yields fell by 0.97 bps, with the 2Y closing at 7.37% (+4.60 bps) and the 10Y closing at 8.08% (-11.89 bps).

The USD/PHP closed at 63.85 (-0.27% DoD).

US Gross Domestic Product (GDP) expanded at a 3.4% QoQ annualized rate in 3Q26 (Consensus: 3.2%) as resilient consumer spending and surging AI capital investments offset higher imports. Equipment outlays and consumer spending improved, while domestic demand jumped to its fastest pace since 2021.

The US Personal Consumption Expenditures (PCE) Price Index accelerated to 3.6% YoY in September (August: 3.4%; Consensus: 3.6%), driven by higher gasoline and goods prices. Meanwhile, core PCE inflation, the Federal Reserve's preferred inflation gauge, rose to 3.1% YoY (August: 3.0%; Consensus: 3.1%).

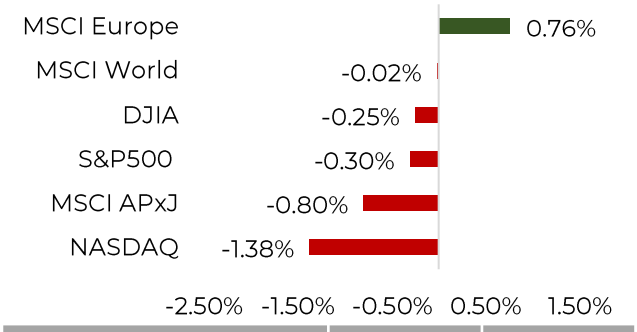
US equities declined, led by tech stocks, on renewed concerns over massive AI spending after disappointing earnings results from Alphabet. Meanwhile, **US Treasury yields** fell on risk-off sentiment following the tech-related selloff, and the **US dollar** weakened, tracking the move in US yields, as markets looked past the in-line September US core PCE inflation and stronger-than-expected 3Q26 US GDP growth.

The S&P 500 closed at 7,720.39 (-0.30% DoD), while the DJIA ended at 52,342.56 (-0.25% DoD).

On average, yields fell by 5.97 bps, with the 2Y closing at 4.60% (-9.80 bps) and the 10Y closing at 4.94% (-7.90 bps).

The DXY closed at 102.04 (-0.15% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,720.39	-0.30%
DJIA	52,342.56	-0.25%
NASDAQ	29,402.51	-1.38%
3-mo US Treasury yield	4.10%	-0.50 bps
2-yr US Treasury yield	4.60%	-9.80 bps
5-yr US Treasury yield	4.75%	-9.40 bps
10-yr US Treasury yield	4.94%	-7.90 bps
DXY	102.04	-0.15%

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