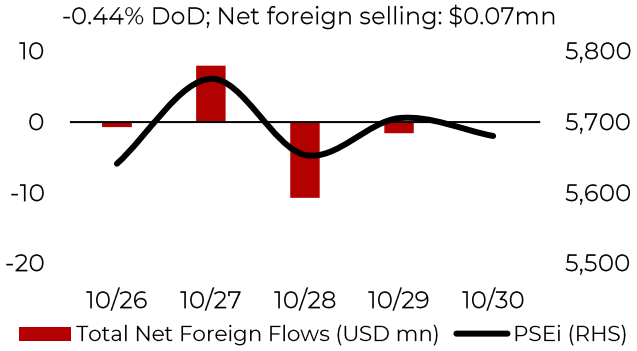
The Morning View

November 3, 2026

Philippine Stock Exchange Index



	Level	DoD
PSEi	5,680.35	-0.44%
3-mo bond yield	5.81%	+3.95 bps
2-yr bond yield	7.33%	-4.46 bps
5-yr bond yield	7.98%	+3.08 bps
10-yr bond yield	8.13%	+5.77 bps
USDPHP	63.74	-0.17%
Oil (Brent, $ / barrel)	117.64	+2.40%

**As of October 30, 2026*

A BusinessWorld poll showed that economists see PH headline inflation likely accelerating to 7.6% in October (September: 7.2%). The increase was attributed to higher fuel, electricity, and food prices, as well as the peso weakness. If realized, inflation would top this year's peak of 7.2% recorded in April and September. It would also bring the year-to-date inflation average to 5.6%.

Manila Electric Co. (PSE Ticker: MER) plans to invest up to Php4.6 billion to deploy up to 420,000 smart meters in 2027. The rollout forms part of Meralco's broader grid modernization efforts and is expected to improve operational efficiency and service reliability through remote meter reading, automated outage detection, and enhanced data management.

Local equities declined, **local fixed-income yields** ended mixed, and the **Philippine peso** closed flattish ahead of the long weekend. Escalating geopolitical tensions between the US and Iran continued to dampen overall market sentiment.

The PSEi closed at 5,680.35 (-0.44% DoD).

On average, yields rose by 1.28 bps, with the 2Y closing at 7.33% (-4.46 bps) and the 10Y closing at 8.13% (+5.77 bps).

The USD/PHP pair closed at 63.74 (-0.17% DoD).

The US Institute for Supply Management (ISM) manufacturing PMI rose to 55.5 in October (September: 54.5; Consensus: 54.5), amid stronger factory production and robust AI-driven domestic demand. Despite the sector's expansion, overall business sentiment turned overwhelmingly downbeat due to election uncertainty, Canadian trade frictions, and elevated input prices driven by the ongoing US-Israeli war with Iran.

On Monday, Brent oil prices fell by 10.94% DoD to $104.77 per barrel as Iranian and Qatari officials continued talks aimed at ending the US-Israeli war on Iran. Moreover, OPEC+ announced keeping its December production targets unchanged last Sunday.

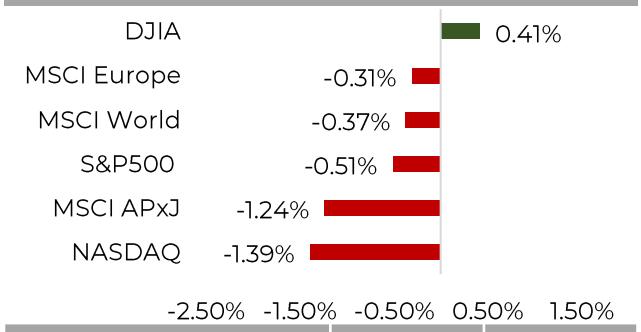
US equities closed mixed, **US Treasury yields** ended mixed, and the **US dollar** weakened ahead of the November 3 US midterm elections and key labor data releases later this week, including September job openings and October nonfarm payrolls. Markets also weighed the decline in oil prices amid hopes of a potential diplomatic solution to the US-Iran war.

The S&P 500 closed at 7,541.40 (-0.51% DoD), while the DJIA ended at 51,983.98 (+0.41% DoD).

On average, yields fell by 1.10 bps, with the 2Y closing at 4.60% (+0.60 bps) and the 10Y closing at 4.92% (-1.60 bps).

The DXY closed at 101.80 (-0.08% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,541.40	-0.51%
DJIA	51,983.98	+0.41%
NASDAQ	27,989.82	-1.39%
3-mo US Treasury yield	4.08%	-1.10 bps
2-yr US Treasury yield	4.60%	+0.60 bps
5-yr US Treasury yield	4.71%	-1.10 bps
10-yr US Treasury yield	4.92%	-1.60 bps
DXY	101.80	-0.08%

**As of November 2, 2026*

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