



BAIPHIL MARKET WATCH

BAIPHIL @ 85: CONTINUING PARTNERSHIP TO R.I.S.E. IN BANKING
RESILIENCE. INCLUSIVITY. SUSTAINABILITY. ENGAGEMENT

13 May
2026

Legend

- Improvement / Up
- Deterioration / Down
- No Movement

FINANCIAL MARKETS AT A GLANCE



Currency Exchange ¹	Current	Previous
USD/PHP	61.4800	61.1500
USD/JPY	157.6100	157.2200
USD/CNY	6.7921	6.7950
EUR/USD	1.1742	1.1784
GBP/USD	1.3540	1.3611

PHP BVAL Reference Rates ²	Current	Previous
30-Day	4.8065	4.7100
91-Day	4.8855	4.8276
180-Day	5.3420	5.2631
1-Year	5.8402	5.5435
3-Year	6.8236	6.7266
5-Year	7.1516	7.0106
10-Year	7.3728	7.2978

Domestic Stock Index ³	Current	Previous
PSEi	5,971.98	5,986.85
Trade Value (Php B)	9.437	5.986

Stock Index ⁴	Current	Previous
NIKKEI 225	62,742.57	62,417.88
FTSE 100	10,265.32	10,269.43
DOW JONES	49,760.56	49,704.47
S&P 500	7,400.96	7,412.84
NASDAQ	26,088.20	26,274.13

Various ^{5/6}	Current	Previous
Brent Crude (USD/bbl)	107.77	104.58
3-M US Treasury Yield	3.70%	3.70%
5-Y US Treasury Yield	4.12%	4.07%
10-Y US Treasury Yield	4.46%	4.42%



PHILIPPINES



- ✓ **PSEi falls as profit-taking, war weigh on sentiment.** The Philippine Stock Exchange index (PSEi) edged lower on Tuesday as investors booked profits amid renewed concerns over the Iran war's impact on global oil supply and weaker domestic economic signals. The benchmark index slipped 0.24% or 14.87 points to close at 5,971.98, while the broader all-share index fell 0.33% or 11.44 points to 3,376.99. The PSEi opened slightly higher at 5,993.63 versus Monday's close of 5,986.85. It climbed to an intraday high of 5,999 before sliding to a low of 5,958.9 and settling below the 6,000 level at the close. Market participants said the US-Israel war on Iran and profit-taking drove the decline. Philstocks Financial, Inc. Research Manager Japhet Louis O. Tantiangco said sentiment was affected by weakening expectations of a US-Iran agreement. "The local market declined amid waning hopes towards a peace deal between the US and Iran," he said in a Viber message, adding that US rejection of Iran's counterproposal and remarks from US President Donald J. Trump suggesting a fragile cease-fire weighed on confidence.
<https://www.bworldonline.com/stock-market/2026/05/12/749078/psei-falls-as-profit-taking-war-weigh-on-sentiment/>
- ✓ **Peso down as oil surge, Iran war lift demand for greenback.** The Peso slipped to a near two-week low on Tuesday as investors moved into the dollar amid rising global oil prices and continued uncertainty over talks between the US and Iran. It fell by 33 centavos to close at P61.48 a dollar from P60.15 on Monday, based on Bankers Association of the Philippines data posted on its website. This marked the peso's weakest finish since April 30, when it ended at P61.485. It opened the session weaker at P61.25, which was also its intraday high, before sliding to a low of P61.495. The currency recovered slightly before the close. Dollar turnover edged up to \$1.513 billion from \$1.511 billion in the previous session. The dollar strengthened alongside higher crude oil prices, as markets reacted to the lack of progress in US-Iran negotiations, Michael L. Ricafort, chief economist at Rizal Commercial Banking Corp., said in a Viber message.
<https://www.bworldonline.com/banking-finance/2026/05/13/749154/peso-down-as-oil-surge-iran-war-lift-demand-for-greenback/>
- ✓ **T-bonds fully awarded as yields climb on inflation surge, Iran war.** The government fully awarded Treasury bonds (T-bonds) on Tuesday despite subdued demand, as investors priced in higher inflation expectations linked to global oil risks stemming from the Iran war and stalled US-Iran negotiations. The Bureau of the Treasury (BTR) raised P30 billion as planned through reissued seven-year bonds, even though total bids reached only P38.444 billion. The bonds, which have a remaining life of four years and eight months, were awarded at an average yield of 7.249%. Accepted bids ranged from 7% to 7.45%. The average yield jumped 153.2 basis points from the last auction in March, when the same series was awarded at 5.717%. It was also higher than the 6.125% coupon rate and above secondary market levels before Tuesday's auction. Market participants said investors remained cautious amid expectations that borrowing costs could stay elevated.
<https://www.bworldonline.com/banking-finance/2026/05/13/749155/t-bonds-fully-awarded-as-yields-climb-on-inflation-surge-iran-war/>

- ✓ **March loan growth at 7-month high.** Philippine banks' lending to businesses and consumers marked its fastest expansion in seven months in March, supported by robust liquidity in the financial system despite the Middle East conflict, preliminary Bangko Sentral ng Pilipinas (BSP) data showed. Outstanding loans of universal and commercial banks, net of reverse repurchase agreements, grew by 10.7% to P14.603 trillion as of March from P13.192 trillion in the same month last year. This was faster than the revised 9.6% climb in February and was the quickest growth in loans since the 11.2% in August last year. On a seasonally adjusted basis, big banks' lending activities rose by 1.7% month on month. "Loans from universal and commercial banks grew at a faster pace in March 2026, providing even stronger support for production activities of businesses and consumption of households," the central bank said in a statement late on Monday.
<https://www.bworldonline.com/top-stories/2026/05/13/749169/march-loan-growth-at-7-month-high/>
- ✓ **PH domestic liquidity growth up 12% in March.** Growth in money circulating in the domestic economy accelerated to 12 percent in March, according to preliminary data released by the Bangko Sentral ng Pilipinas (BSP) on Monday night. The BSP said domestic liquidity (M3) — or the total money supply in banks, currency in circulation, and financial assets that are easily convertible to cash — reached PHP20.4 trillion during the month. It attributed the annual increase in M3 to the "continued expansion in borrowings by non-financial private corporations and households." The BSP added that borrowings by non-financial private firms and households grew by 11.9 percent, faster than the 10.6 percent recorded in February. During the same period, net claims on the national government rose by 12.1 percent, driven largely by the issuance of government securities (GS). Net foreign assets (NFAs) — or the difference between the claims of non-residents and their liabilities in depository firms - increased by 8.6 percent during the period, also faster than February's 7.5 percent growth. The central bank's NFA likewise rose by 4.9 percent during the month.
<https://www.pna.gov.ph/articles/1274808>
- ✓ **BSP offers free online training for cash handlers.** The Bangkok Sentral ng Pilipinas (BSP) has launched a free online training program for Filipino cash handlers from financial institutions and retail establishments to improve currency authentication and handling practices. In a statement on Tuesday, the central bank said the course aims to "strengthen the capability of Filipino cash handlers in identifying genuine banknotes and coins and preserving currency integrity." The training program, offered through the BSP's E-Learning Academy, seeks to help workers such as cashiers and frontline personnel detect counterfeit peso bills and coins. Participants may take the self-paced interactive course online, which covers currency authentication features and proper handling of banknotes and coins. The course also discusses Philippine laws and regulations on currency, as well as BSP policies and programs related to maintaining currency integrity.
<https://www.bworldonline.com/banking-finance/2026/05/13/749151/bsp-offers-free-online-training-for-cash-handlers/>
- ✓ **GDP growth may slow further as price pressures mount.** Philippine economic growth this year could slump to its slowest in nearly two decades as price pressures from the energy crisis compound already muted household spending and investments. In a report published on Monday, Oxford Economics slashed its Philippine gross domestic product (GDP) growth forecast to 3.5% from its already downgraded 4.6% estimate. Before the war, it expected the economy to expand by 5.5%. If realized, this would mark the economy's worst performance since 2020, when it contracted by 9.5%. Counting out the pandemic, it would be the slowest growth in 17 years or since 1.4% in 2009. This would also mean that the government will miss its GDP growth target for a fourth straight year, as it sees the economy expanding between 5% and 6% in 2026. The Philippine economy grew by 4.4% in 2025 — a post-pandemic low as a graft scandal involving government infrastructure projects dragged public spending. "The largest downgrade since the start of the war has so far been the Philippines after the recent Q1 GDP release, which was poorer than expected," Oxford Economics Lead Economist Maya Senussi said.
<https://www.bworldonline.com/top-stories/2026/05/13/749168/gdp-growth-may-slow-further-as-price-pressures-mount/>
- ✓ **Weak confidence clouds PH spending outlook.** Weak consumer confidence is threatening to drag Philippine household spending this year as the oil crisis continues to drive up inflation and erode purchasing power, BMI Research said. In a recent commentary, BMI, a unit of the Fitch Group, downgraded its household spending growth forecast for the Philippines to 4.4 percent in 2026 from its earlier projection of 4.5 percent. The figure, according to BMI, reflects a "cautiously optimistic outlook." This comes amid fragile consumer confidence, with the first quarter reading remaining in negative territory at -15.8. Although this marked an improvement from the previous quarter's -22.2, BMI said consumer sentiment remained sluggish. "Consumer confidence weakness continues to be driven by concerns over weakening household financial situations, governmental corruption, spiking inflation and natural disasters," the think tank said.
<https://business.inquirer.net/589851/weak-confidence-clouds-ph-spending-outlook>
- ✓ **Luzon Economic Corridor seen to increase jobs, investments.** The Luzon Economic Corridor (LEC) will help make the Philippines more resilient to external shocks by generating more jobs and attracting greater foreign investment interest, the Finance department said. "The LEC is about doing all the work to provide those jobs. We build the infrastructure, the private sector comes in, invests in business, gives jobs to Filipinos," Finance Secretary Frederick D. Go said on the sidelines of the LEC Reception on Monday. Mr. Go said creating "meaningful" jobs is key to building a sustainable and shock-resistant economy, as steady incomes would allow households to continue spending despite external headwinds. "We need everybody to have meaningful jobs. That is how you really build a sustainable economy," he said. "Because when everybody has meaningful jobs, it does not matter what the shocks are. Life can go on because people have a good source of income." The Philippine economy grew by a weaker-than-expected 2.8% in the first quarter amid lingering effects of last year's corruption scandal and soaring fuel prices due to the Middle East conflict. The weaker growth came as household final consumption expenditure — a key driver of the economy — slowed to 3% from 5.28% a year earlier and 3.8% in the previous quarter.
<https://www.bworldonline.com/top-stories/2026/05/13/749167/luzon-economic-corridor-seen-to-increase-jobs-investments/>
- ✓ **BSP seen delivering 'measured' rate hikes.** The Bangko Sentral ng Pilipinas (BSP) is likely to embark on a brief and "measured" tightening cycle, analysts said, as policymakers aim to raise interest rates without putting too much strain on the economy's fragile recovery. In a note to clients, economists at Nomura Global Markets Research said they now expect the central bank to lift its policy rate by another 75 basis points (bps) this year, to 5.25 percent starting in June, after a global oil shock tied to the Middle East conflict pushed inflation beyond the official target. Nomura added that the bank could begin reversing those increases next year, forecasting about 75 bps of rate cuts by the second half of 2027, bringing the policy rate down to 4.5 percent. "We think BSP will take a measured approach, given growth headwinds," the bank said. "We expect a very short hiking cycle."
<https://business.inquirer.net/589849/bsp-seen-delivering-measured-rate-hikes>

- ✓ **BSP offers free online training for cash handlers.** The Bangkok Sentral ng Pilipinas (BSP) has launched a free online training program for Filipino cash handlers from financial institutions and retail establishments to improve currency authentication and handling practices. In a statement on Tuesday, the central bank said the course aims to “strengthen the capability of Filipino cash handlers in identifying genuine banknotes and coins and preserving currency integrity.” The training program, offered through the BSP’s E-Learning Academy, seeks to help workers such as cashiers and frontline personnel detect counterfeit peso bills and coins. Participants may take the self-paced interactive course online, which covers currency authentication features and proper handling of banknotes and coins. The course also discusses Philippine laws and regulations on currency, as well as BSP policies and programs related to maintaining currency integrity.
<https://www.bworldonline.com/banking-finance/2026/05/13/749151/bsp-offers-free-online-training-for-cash-handlers/>

- ✓ **ADB, Security Bank to offer SMEs supply-chain financing.** The Asian Development Bank (ADB) has entered a Risk Participation Agreement (RPA) with Security Bank Corp. to expand supply chain finance access for small- and medium-sized enterprises (SMEs). The agreement marks the first RPA signed by the multilateral lender with a Philippine bank. According to the ADB, the partnership will help businesses receive earlier payments, manage cash flow more effectively, and strengthen operational stability. Under the agreement, the ADB, through its Trade and Supply Chain Finance Program (TSCFP), will share credit exposure with Security Bank, enabling the bank to extend support to more SME suppliers. “This partnership demonstrates how ADB’s collaboration with local financial institutions is helping address financing gaps faced by SMEs and build more resilient supply chains,” ADB Country Director for the Philippines Andrew Jeffries said in a statement on Tuesday.
<https://www.bworldonline.com/economy/2026/05/12/749191/adb-security-bank-to-offer-smes-supply-chain-financing/>

- ✓ **Gas as grid-stability bridge as DOE readies mid-merit auction.** The Department of Energy’s planned auction for mid-merit capacity could help stabilize the power grid as more variable renewable energy enters the system, with natural gas expected to play a key role in balancing supply and demand, a local gas executive said. Jose Victor Emmanuel De Dios, president and chief executive officer of Prime CoreGen, said the DOE initiative recognizes the need for flexible generation that can respond quickly when output from solar and wind facilities fluctuates. “I think it’s a very appropriate and relevant initiative by the DOE to address grid stability in the face of increasing variable RE in the country,” De Dios said during a Philippine Chamber of Commerce and Industry forum on Tuesday. Prime CoreGen is a subsidiary of Prime Infrastructure Capital Inc. that manages natural gas assets. De Dios said natural gas can serve as a bridge and transition fuel, balancing coal-fired capacity on one side and variable renewable energy on the other. Power supply can tighten when output from renewable plants suddenly dips due to changes in sunlight, wind, or other weather conditions. This makes standby and flexible capacity critical as the country adds more renewable generation to the grid. De Dios said gas-fired plants are better suited than coal plants to follow changes in demand because they can ramp output up or down more quickly.
<https://malaya.com.ph/business/business-news/gas-as-grid-stability-bridge-as-doe-readies-mid-merit-auction/>

- ✓ **DoTr eyes to award automated fare collection system project this year.** The Department of Transportation (DoTr) targets to award the Philippine Automated Fare Collection System (PAFCS) contract by the fourth quarter, with the bidding process expected to begin in the third quarter. “We are definitely bidding it out this year... We will likely bid it out in the third quarter and award it in the fourth quarter,” Transportation Undersecretary Timothy John R. Batan said on the sidelines of the Luzon Economic Corridor Reception on Monday. Mr. Batan said the preliminary cost of the contract is P9.5 billion but added that this is still pending approval from the Investment Coordination Committee (ICC). “Until it is approved by the ICC, we do not have the final project cost yet, but it’s around that much,” he added. AF Payments, Inc., the consortium behind the Beep card system, is the current concessionaire for the automated fare collection system. Its contract will expire in December 2027.
<https://www.bworldonline.com/top-stories/2026/05/13/749166/dotr-eyes-to-award-automated-fare-collection-system-project-this-year/>

- ✓ **PCCI chief pushes stronger energy infrastructure, partnerships.** An official of the Philippine Chamber of Commerce and Industry (PCCI) on Tuesday underscored the country’s potential to achieve energy security but stressed the need to improve technology, infrastructure, and strategic partnerships. Speaking at the Energy Summit 2026 in Makati City, PCCI president Perry Ferrer said the Philippines is “richly endowed” with energy resources, including geothermal, solar, offshore, and wind energy. “We are, in many ways, an underutilized one,” he said, referring to the country’s continued dependence on imported fossil fuels, which he noted increases both economic and national security risks. “The answer cannot be timidity [or] simply endure —to absorb higher prices, accept unreliable supply, and hope that the global order stabilizes in our favor. History teaches us that hope is not a strategy,” he added. Ferrer cited the need to accelerate the development of indigenous energy resources, modernize and strengthen energy infrastructure, and build strategic partnerships without compromising strategic autonomy.
<https://www.pna.gov.ph/articles/1274832>

- ✓ **Tonik posts Q1 income, 1st standalone digital lender in PHL to turn profitable.** Tonik Digital Bank, Inc. said it turned profitable in the first quarter, becoming the first nonecosystem-backed digital lender in the Philippines to post a net income, driven by growth in consumer lending, deposits and artificial intelligence (AI)-led risk management. “We are now the only player that is both cleanly profitable and structurally positioned with a digital bank deposit license to scale into the \$50-100 billion credit gap,” Tonik founder and Chief Executive Officer Greg Krasnov said in a statement posted on Tonik’s website. The digital lender said its Singapore-based parent company posted consolidated positive cash net income, including costs tied to credit risk, five years after launching operations in February 2021. Tonik attributed its profitability to its focus on consumer credit for underserved Filipinos, noting that revenue generated from a lending customer is significantly higher than from a payment client.
<https://www.bworldonline.com/banking-finance/2026/05/13/749153/tonik-posts-q1-income-1st-standalone-digital-lender-in-phl-to-turn-profitable/>

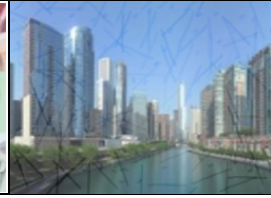
- ✓ **Jollibee Group reviews 2026 assumptions amid cost volatility.** Jollibee Food Corp. (JFC) said it is reviewing some of its 2026 assumptions, including the pace of store openings and capital spending, as geopolitical developments increased near-term input cost volatility. “While first quarter demand trends remained healthy, recent geopolitical developments have increased near-term input cost volatility,” the company said in a statement on Tuesday. “As a result, the Jollibee Group is reviewing certain 2026 assumptions, including the pacing of store openings, planned capital expenditures, and profitability expectations, while actively implementing mitigation actions across sourcing, productivity, selective pricing, and disciplined cost management,” it added. Despite the review of its near-term plans, the company said demand in its key markets remains stable and that it continues to monitor conditions as it updates its forecasts. JFC’s first-quarter attributable

net income fell 38.8% to P1.47 billion from P2.41 billion a year earlier due to lower operating profit and unfavorable below-the-line items. Net income for the January-to-March period declined 43.6% to P1.41 billion from P2.5 billion, while operating income dropped 18.2% to P3.95 billion. JFC said quarterly profitability was affected by higher direct costs, which rose 11.7%, driven mainly by inflation in certain commodities and supply chain inputs, as well as recent geopolitical developments.

<https://www.bworldonline.com/corporate/2026/05/13/749178/jollibee-group-reviews-2026-assumptions-amid-cost-volatility/>



REST OF THE WORLD



- ✓ **Asia markets trade mixed as investors weigh Trump's ceasefire warning.** Asia-Pacific markets traded mixed Tuesday as investors shrugged off fresh doubts over the fragile U.S.-Iran ceasefire after President Donald Trump warned the truce was on "massive life support." Trump on Monday cast doubt on the survival of the U.S.-Iran ceasefire, saying the fragile truce was effectively "on life support" after Tehran delivered what he described as an unacceptable response to Washington's proposal for ending the conflict. "I would say the ceasefire is on massive life support, where the doctor walks in and says, 'Sir, your loved one has approximately a 1% chance of living,'" he said. Japan's Nikkei 225 added 0.52% at 62,742.57, while the Topix rose 0.83% at 3,872.90. South Korea's Kospi pared early losses and fell 2.29% at 7,643.15 after notching a fresh record high on Monday. The small-cap Kosdaq fell 2.32% at 1,179.29. In Australia, the S&P/ASX 200 lost 0.36% at 8,670.70. Yields of Japan's 10-year government bond hit their highest point since 1997, rising to a high of 2.545% after minutes from the Bank of Japan revealed that some board members said that the BOJ should raise rates soon. Hong Kong Hang Seng index was in choppy trade and fell 0.16% in the last hour of afternoon trade, while the CSI 300 declined 0.08% at 4948.05 India's Nifty 50 dropped 1.27%.
<https://www.cnbc.com/2026/05/12/asia-markets-today-live-updates-kospi-hang-seng-index-nikkei-225-sensex-csi-300.html>
- ✓ **Stoxx 600 falls as fragile Middle East ceasefire dents risk sentiment.** Europe's Stoxx 600 closed 1 per cent lower in broad-based declines on Tuesday (May 12) as dimming hopes for a US-Iran peace deal sent oil prices higher and weighed on risk sentiment. The pan-European Stoxx 600 dropped 1.1 per cent to 606.12 points, with all major regional bourses in the red, led by Frankfurt's DAX which fell 1.6 per cent. The disruption to energy supplies through the Strait of Hormuz has acted as an overhang on European equities, keeping them below pre-war levels, as worries linger over the economic impact of elevated crude prices. Technology shares slid 3.1 per cent and led declines on Tuesday, tracking steep losses among artificial intelligence stocks and chipmakers on Wall Street. Tech stocks globally had a strong run over the past few weeks and in Europe, they are among the top gainers.
<https://www.businesstimes.com.sg/companies-markets/capital-markets-currencies/stoxx-600-falls-fragile-middle-east-ceasefire-dents-risk-sentiment>
- ✓ **S&P 500, Nasdaq end lower as inflation, Iran tensions weigh.** The S&P 500 and the Nasdaq closed lower on Tuesday (May 12), easing from record highs as hotter-than-expected inflation data and an increasingly tenuous US-Iran ceasefire prompted investors to take money off the table near the end of a robust first-quarter earnings season. The Dow Jones Industrial Average rose 56.09 points, or 0.11 per cent, to 49,760.56, the S&P 500 lost 11.88 points, or 0.16 per cent, to 7,400.96 and the Nasdaq Composite shed 185.92 points, or 0.71 per cent, to 26,088.20. Of the 11 major sectors in the S&P 500, consumer discretionary and tech suffered the largest percentage losses, while healthcare and consumer staples led the gainers. The Dow Jones Industrial Average rose 56.09 points, or 0.11 per cent, to 49,760.56, the S&P 500 lost 11.88 points, or 0.16 per cent, to 7,400.96 and the Nasdaq Composite shed 185.92 points, or 0.71 per cent, to 26,088.20. Of the 11 major sectors in the S&P 500, consumer discretionary and tech suffered the largest percentage losses, while healthcare and consumer staples led the gainers.
<https://www.businesstimes.com.sg/companies-markets/capital-markets-currencies/sp-500-nasdaq-end-lower-inflation-iran-tensions-weigh>
- ✓ **Oil settles higher as hopes of peace in the Middle East dwindle.** Oil prices settled higher for the third consecutive session on Tuesday (May 12) as stark differences between the US and Iran over a proposal to end the war in the Middle East raised concerns that supply disruptions upending the global oil market are likely to be prolonged. Brent crude futures gained US\$3.56, or 3.42 per cent, to settle at US\$107.77 a barrel, and US West Texas Intermediate futures closed up US\$4.11, or 4.19 per cent, at US\$102.18. Both benchmarks had climbed nearly 3 per cent on Monday.
<https://www.businesstimes.com.sg/companies-markets/energy-commodities/oil-settles-higher-hopes-peace-middle-east-dwindle>
- ✓ **Gold Pressured by Strong US Inflation.** Gold traded near \$4,700 an ounce on Wednesday, facing downward pressure after stronger-than-expected US inflation figures reduced expectations for Federal Reserve rate cuts. US consumer inflation accelerated to 3.8% in April, above market forecasts of 3.7% and the highest reading since May 2023, as escalating energy costs tied to the Middle East conflict pushed prices higher. Investors now expect the Fed to keep interest rates unchanged for the remainder of the year, while markets have begun pricing in the possibility of a rate increase in April next year. President Donald Trump also introduced fresh measures aimed at easing consumer costs, focusing on beef and gasoline prices as his administration faces mounting political pressure ahead of the November midterm elections.
<https://tradingeconomics.com/commodity/gold>
- ✓ **Asia-Pacific to lead global business-travel spending in 2026.** Asia-Pacific is set to be the world's largest business-travel market in 2026, based on a new forecast, with the surge seen driven by the region's expanding manufacturing and trade activity. Spending on corporate trips from the region is expected to reach US\$701 billion this year – slightly more than 40 per cent of global expenditure, said trade group Global Business Travel Association (GBTA). That represents a 10.9 per cent year-over-year increase, driven largely by Japan, South Korea and India. Europe is expected to be the second-largest, followed by North America, said GBTA. "Manufacturing is the largest business-travelling sector," said Suzanne Neufang, CEO of GBTA. Trade – whether with new partners, old ones or reacquainted partners – "is one of the key drivers for confidence in our sector".
<https://www.businesstimes.com.sg/international/global/asia-pacific-lead-global-business-travel-spending-2026>

- ✓ **China's central bank warns on imported inflation from higher oil prices, focuses on policy transmission.** China's central bank has warned on the risks of imported inflation from higher oil prices stemming from the war in Iran, offering no hint of preparing to ease policy as it looks to ensure that its interest rates reach the economy. "Recent geopolitical events in the Middle East have driven up prices of international crude oil and some commodities, which has contributed to the rebound of China's price indicators," the People's Bank of China (PBOC) said in its quarterly monetary policy report released on Monday (May 11). "But the impact of imported inflation on the domestic economy needs to be closely monitored." With policy interest rates on hold for a year, the PBOC's focus now is on the transmission of low financing costs, after factory inflation hit the highest in nearly four years. In the latest report, it reiterated a pledge to adopt "moderately loose" monetary policy and keep liquidity ample to support growth. The central bank vowed to regulate market practices that weaken the implementation of its policy. It also reaffirmed a vow to set the timing and magnitude of policy measures based on economic and financial conditions at home and abroad, as well as to keep the yuan basically stable. "Rate cuts remain unlikely near-term," Citigroup economists said in a report on Tuesday. "The current policy focus has shifted squarely towards improving transmission rather than further easing."
<https://www.businesstimes.com.sg/companies-markets/banking-finance/chinas-central-bank-warns-imported-inflation-higher-oil-prices-focuses-policy-transmission>
- ✓ **Sudden yen jump stokes rate check speculation.** The Japanese yen jumped suddenly on Tuesday (May 12), stoking speculation of a "rate check," which is often a precursor to currency intervention. The yen shot from about 157.75 to the dollar to 156.75 in a space of a few minutes. Brokers said the move, about half of which was soon unwound, was likely a rate check. Japan's Ministry of Finance declined to comment. Sources have told Reuters Japan has been buying yen in recent weeks. The US and Japan maintain "constant and robust" coordination in combating undesirable, excessively volatile currency moves, US Treasury Secretary Scott Bessent said in Tokyo on Tuesday, a remark seen broadly as consent for Japan's yen buying.
<https://www.businesstimes.com.sg/companies-markets/banking-finance/sudden-yen-jump-stokes-rate-check-speculation>
- ✓ **South Korea Jobless Rate Edges Up to 2.8% in April.** South Korea's seasonally adjusted unemployment rate inched up to 2.8% in April 2026 from March's five-month low of 2.7%. The economy added 74,000 jobs during the month, marking the smallest increase in 16 months after job gains had exceeded 200,000 for two consecutive months, bringing total employment to 28.961 million. A smaller increase in employment came amid persistent weakness in mining & manufacturing, and construction. Employment also fell in agriculture, forestry & fishing, as well as wholesale & retail trade and accommodation & food services. Meanwhile, gains were recorded in electricity, transport, communication & finance, and business, personal, and public services. Meanwhile, the number of unemployed fell to 853,000 in April, down 2,000 or 0.2% year-on-year. The labor force participation rate rose to 64.9%, from 64.6% in March.
<https://tradingeconomics.com/south-korea/unemployment-rate>
- ✓ **Indonesia, Singapore look to deepen ties and partnerships, including with Malaysia.** Indonesia and Singapore want to deepen ties and collaboration as they commemorate 60 years of bilateral relations next year, said the foreign ministers of both countries on Tuesday (May 12). Singapore's Foreign Minister Vivian Balakrishnan, who began a three-day visit to Jakarta on Monday, met his Indonesian counterpart Sugiono on Tuesday morning. Singapore and Indonesia's bilateral projects, like the Nongsa Digital Park in Batam and the Kendal Industrial Park in Central Java, have continued to flourish, and they see good prospects for further growth, especially in the digital and green economies, Dr Balakrishnan said at a joint press conference with Mr Sugiono after their meeting. "That is why we are looking for more opportunities to enhance our engagements with the large number of provinces in Indonesia," he said. Both sides are also looking for opportunities to work more closely with Malaysia, he said, citing the renewal of the Singapore-Johor-Riau Islands partnership, or SIJORI. "This is a partnership which I believe can deliver tremendous benefits to all three countries. Within our region, we also hope to see more investments in transport connectivity and digital projects, and to also bring to reality the Association of Southeast Asian Nations (ASEAN) Power Grid." Mr Sugiono, who goes by one name, said: "These past six decades, I think Indonesia and Singapore have built a very strong partnership defined by strategic trust, mutual benefit, and shared purpose."
<https://www.channelnewsasia.com/asia/indonesia-singapore-sugiono-vivian-balakrishnan-6115796>
- ✓ **'Starmer drama': UK borrowing costs hit post-2008 peak as leadership fears hit bond markets.** Yields on U.K. government bonds surged to multi-decade highs on Tuesday morning, as pressure mounted on Prime Minister Keir Starmer to resign from his post. By 11:15 a.m. in London, the yield on the benchmark 10-year gilt had jumped 10 basis points to trade at around 5.101%, easing from bigger rises seen earlier in the trading session. Bond yields and prices move in opposite directions. Meanwhile, yields at the long end of the curve touched on their highest since 1998, with yields on 20-year and 30-year gilts jumping 10 basis points higher. Starmer's leadership is on a knife edge after more than 70 Labour lawmakers called for his resignation. The calls for Starmer to resign came after the Labour Party suffered major losses in local council elections last week. While the election result will not change the composition of Britain's parliament or its government, some lawmakers have argued the outcome was a protest from the electorate against Starmer's policy mix.
<https://www.cnn.com/2026/05/12/uk-gilts-borrowing-costs-keir-starmer-pressure-resign.html>
- ✓ **US consumer prices increase further in April.** US consumer prices rose at a brisk clip for a second straight month in April, resulting in the largest annual increase in inflation in nearly three years and further bolstering expectations the Federal Reserve would keep interest rates unchanged for a while. The Consumer Price Index increased 0.6 per cent last month after surging 0.9 per cent in March, the Labor Department's Bureau of Labor Statistics (BLS) said on Tuesday (May 12). Economists polled by Reuters had forecast the CPI rising 0.6 per cent. Estimates ranged from a 0.4 per cent gain to a 0.9 per cent increase. The moderation after posting the largest increase since June 2022 was mostly mechanical.
<https://www.businesstimes.com.sg/international/us-consumer-prices-increase-further-april>
- ✓ **Intel's US\$440 billion six-week surge has short sellers circling.** A scorching rally in Intel shares is threatening huge losses for traders wagering that they are due to fall. But that is not stopping them from placing those bets. Since hitting a low on Mar 30, the chipmaker's stock price has soared 214 per cent, adding more than US\$440 billion to its market capitalisation and pushing short-sellers' paper losses above US\$12 billion, based on data from data analytics company S3 Partners. At the same time, short interest in Intel shares as a percentage of the company's float, a measure of how many shares have been borrowed to bet against the stock, is near a 52-week high.
<https://www.businesstimes.com.sg/companies-markets/intels-us440-billion-six-week-surge-has-short-sellers-circling>

UPCOMING BAIPHIL WEBINARS



TRAINING PROGRAMS		PROGRAM DETAILS		
COMMITTEE	TITLE	DATE	COURSE OUTLINE	REGISTRATION LINK
Finance and Audit Course Committee (FACCOM)	Accounting for Non-Accountants (with Financial Statement Analysis)	May 14 – 15, 2026	PROGRAM DETAILS	REGISTER HERE
	Independent Assurance Assessment of Retail Branch Banking's AML Regulatory Compliance Culture & Ethical Culture and their AML Risk Governance & Controls	May 28 – 29, 2026	PROGRAM DETAILS	REGISTER HERE
	Essential Tools to Smart Financial Decisions: Cost-Benefit Analysis, Budgeting, Breakeven and Beyond	June 11, 2026	PROGRAM DETAILS	REGISTER HERE
Governance, Legal, Regulatory and Compliance (GLRC) Course Committee	Reputation Matters: Defending Your Bank's Most Valuable Asset (Guidelines on Reputational Risk)	June 9, 2026	PROGRAM DETAILS	REGISTER HERE
	Mandatory Lending (e.g., Agri-Agra Credit) Legal Framework, Regulations and Reporting	June 29, 2026	PROGRAM DETAILS	REGISTER HERE
	From Chaos to Control: Compliance with Operational Risk Management Guidelines / Guidelines on Operational Resilience	June 30, 2026	<i>Link to be posted</i>	<i>Link to be posted</i>
Information Technology and Security Course (ITSEC) Committee	IT Service Management Fundamentals	May 21, 2026	PROGRAM DETAILS	REGISTER HERE
	Cybersecurity Governance, Risks and Compliance	May 22, 2026	PROGRAM DETAILS	REGISTER HERE
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	Advanced Excel Training for Bankers	July 9 – 10, 2026	PROGRAM DETAILS	REGISTER HERE
	Excel VBA Programming	July 30 – 31, 2026	PROGRAM DETAILS	REGISTER HERE
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	Fraud and Forgery Detection and Prevention Program	June 24, 2026	PROGRAM DETAILS	REGISTER HERE
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	Methodologies for IFRS 9 ECL Modeling	June 5, 2026	PROGRAM DETAILS	REGISTER HERE
	Enterprise Risk Management	June 16, 2026	PROGRAM DETAILS	REGISTER HERE



Leadership is about integrity,
honesty and accountability.
All components of trust.

Simon Sinek

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- 6 CNN Money: <https://money.cnn.com/data/bonds/>

OTHER REFERENCES / EXTERNAL LINKS

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COMPILED AND PREPARED BY: MARLON GARCIA, BAIPHIL Management Team

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