



BAIPHIL MARKET WATCH

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

15 May
2026

Legend

- Improvement / Up
- Deterioration / Down
- No Movement

FINANCIAL MARKETS AT A GLANCE



Currency Exchange ¹	Current	Previous
USD/PHP	61.6400	61.3800
USD/JPY	157.9100	157.8800
USD/CNY	6.7858	6.7910
EUR/USD	1.1707	1.1715
GBP/USD	1.3515	1.3524

PHP BVAL Reference Rates ²	Current	Previous
30-Day	4.6424	4.8483
91-Day	4.9211	4.9169
180-Day	5.3089	5.3167
1-Year	5.8670	5.8303
3-Year	7.0387	6.9889
5-Year	7.4275	7.2864
10-Year	7.5487	7.5076

Domestic Stock Index ³	Current	Previous
PSEi	6,015.03	5,946.78
Trade Value (Php B)	5.013	7.606

Stock Index ⁴	Current	Previous
NIKKEI 225	62,654.05	63,272.11
FTSE 100	10,372.93	10,325.35
DOW JONES	50,063.46	49,693.20
S&P 500	7,501.24	7,444.25
NASDAQ	26,635.22	26,402.34

Various ^{5/6}	Current	Previous
Brent Crude (USD/bbl)	106.32	105.63
3-M US Treasury Yield	3.69%	3.69%
5-Y US Treasury Yield	4.13%	4.12%
10-Y US Treasury Yield	4.47%	4.46%



PHILIPPINES



- ✓ **PSEi rebounds above 6,000 on bargain hunting.** Local stocks rebounded on Thursday as bargain hunters returned after two straight sessions of decline, while trading remained subdued amid lingering concerns over domestic and global risks. The benchmark Philippine Stock Exchange Index (PSEi) climbed 1.15 percent or 68.25 points, to close at 6,015.03. Foreign investors, however, provided support to the market, ending the session as net buyers with inflows amounting to P467.74 million. Analysts said investors remained selective despite the rebound, with geopolitical uncertainties and concerns over the broader economic outlook continuing to temper risk appetite.
<https://business.inquirer.net/590409/psei-rebounds-above-6000-on-bargain-hunting>
- ✓ **Peso plunges to record-low 61.64 vs. US dollar as political turmoil deepens, oil surges.** The peso shed 26 centavos against the United States (US) dollar on Thursday, May 14, closing at a fresh record low of ₱61.64 from ₱61.38 last Wednesday, May 13. According to the Bankers Association of the Philippines (BAP), the local currency hit an intraday low of ₱61.66 and a high of ₱61.35, which was also its opening rate. Total trading volume fell to \$1.579 billion from Wednesday's \$1.804 billion. Earlier, Singapore-based Oversea-Chinese Banking Corp. Ltd. (OCBC) flagged that the peso is at risk of plunging to a new historic low as volatile combination of global energy shocks and intensifying domestic political turmoil erodes investor confidence. In a May 13 report, OCBC foreign exchange (FX) strategist Christopher Wong warned that the local currency remains vulnerable to fresh weakness, with the US dollar-peso pair holding above ₱61:\$1. Wong said that the "unfavorable oil-rates-risk mix" is stretching the US dollar's resilience. He added that the combination of weak first-quarter economic growth and the 7.2-percent inflation print leaves the BSP facing an "uncomfortable inflation-growth trade-off." Beyond economic fundamentals, a deteriorating political climate is weighing on the market. The domestic political landscape has shifted into a period of high uncertainty following the House of Representatives' vote to impeach Vice President Sara Duterte. "Political noise may also be adding a layer of caution at a time when oil, rates and risk-off dynamics are already unfavorable," Wong said. Wong described near-term risks as skewed to the upside for the dollar, implying the peso is poised to slip further in the coming days.
<https://mb.com.ph/2026/05/14/peso-plunges-to-record-low-6164-vs-us-dollar-as-political-turmoil-deepens-oil-surges>
- ✓ **BSP to launch World Bank-backed wealth literacy plan.** In a May 14 statement, the BSP said the central bank is leading the development of the National Strategy for Financial Education (NSFE) that aims to provide a structured approach to financial literacy. According to the BSP, the NSFE envisions a future where "individuals and families have the knowledge, confidence, and resilience to make sound financial decisions through accessible and effective financial education programs." The NSFE has received international support, including technical assistance from the World Bank and input from the Foreign, Commonwealth & Development Office (FCDO). This roadmap is set to become an important component of the broader National Strategy for Financial Inclusion 2022–2028 (NSFI). As of the writing, the road map development is being refined through extensive consultations with various sectors. Stressing the importance of practical, real-world expertise,

BSP Deputy Governor Bernadette Romulo-Puyat said that the strategy's success depends on collective action. Once stakeholder feedback is consolidated and analyzed, the strategy will be endorsed to the Financial Inclusion Steering Committee (FISC)—a body composed of various government agencies—for final approval.

<https://mb.com.ph/2026/05/14/bsp-to-launch-world-bank-backed-wealth-literacy-plan>

- ✓ **IC grants 90-day payment relief to consumers, regulated entities.** The Insurance Commission (IC) has issued two circular letters granting 90-day payment relief for consumers and extending the submission of reportorial requirements of IC-regulated entities (ICREs). In a statement Thursday, IC said this is in line with the directives of President Ferdinand R. Marcos Jr. in Executive Order No. 110, which placed the Philippines under a state of national energy emergency. Under the guidelines, ICREs are directed to grant policyholders, plan holders and health maintenance organization (HMO) members a minimum 90-day grace period premiums, installments, or fees that are due from April 15 to May 31, 2026; a minimum 90-day extension of coverage for policies or agreements that are scheduled to lapse or expire on or before May 31, 2026, subject to the payment of corresponding premiums; and a three-month grace period for loan repayments. ICREs are also encouraged to adopt additional initiatives and relief measures. The Insurance Commission likewise urged insurance agents to provide fair and appropriate advice, support in claims processing, and ensure that policyholders are fully informed of available relief measures. A separate circular issued on May 6, also granted ICREs a 30-day extension for the submission of reportorial requirements due for the periods covering April to June.
<https://www.pna.gov.ph/articles/1275019>
- ✓ **SEC includes exempt securities in portfolio threshold for qualified buyers.** The Securities and Exchange Commission (SEC) has amended its rules by expressly including securities exempt from registration with the commission, such as government securities (GS), in the portfolio threshold requirements for qualified buyers. The SEC said the amendment is aimed at promoting investment diversification and further streamlining regulations on the subject. The commission last May 13 issued SEC Memorandum Circular (MC) No. 15, series of 2026, providing amendments to Rule 10.1.5 of the 2015 Implementing Rules and Regulations (IRR) of the Securities Regulation Code (SRC), as amended, which seek to align the requirements for qualified individual and institutional buyers. "By refining the definition of qualified buyers and adopting a proportional regulatory approach, we aim to enable more investors to participate meaningfully in a wider range of investment opportunities, while maintaining appropriate safeguards," SEC Chairperson Francis Lim said. The amended rules also clarify that the assessment of financial capacity compliance for joint accounts or arrangements involving two or more beneficial owners or principals—whether through individual, corporate, trust, or similar structures—shall follow the ownership arrangement provided under SEC MC 10, series of 2018.
<https://mb.com.ph/2026/05/14/sec-includes-exempt-securities-in-portfolio-threshold-for-qualified-buyers>
- ✓ **BIR exceeds April collection goal.** The Bureau of Internal Revenue (BIR) has exceeded its gross collection target in April by 3.12 percent. The BIR on Thursday said that as of May 13, gross collection in April reached PHP422.378 billion, exceeding the month's goal by PHP12.776 billion. On a year-on-year basis, the April collection was also higher by 0.13 percent. BIR Commissioner Charlito Martin Mendoza attributed the strong collection performance to the intensified tax campaign efforts of the National Office, Revenue Regions, Revenue District Offices, and the Large Taxpayer Service in the past months, which helped encourage early and voluntary compliance. "Even with the extension of the Annual Income Tax Return filing deadline, the BIR sustained solid collection performance in April, reflecting the impact of higher taxpayer confidence, better digital services, and continuing reforms under the BIR DARES reform agenda," Mendoza said in a statement. For the first four months of the year, BIR's collection reached PHP1.55 trillion, exceeding the January to April 2026 target by PHP9.631 billion. Compared to the same period in 2025, total gross collections from January to April 2026 also increased by PHP39.972 billion. Mendoza said BIR remains on track to meet this year's revenue goal while continuing to improve taxpayer service.
<https://www.pna.gov.ph/articles/1275007>
- ✓ **Foreign investment pledges up by 52% in Q1 2026.** Total foreign investment (FI) pledges went up by over 50 percent in the first quarter of the year, data released by the Philippine Statistics Authority (PSA) on Thursday showed. The PSA said foreign investments approved during the period amounted to PHP42.64 billion, up by 52.3 percent from the PHP27.99 billion recorded last year. These investment pledges were from seven Investment Promotion Agencies: the Bases Conversion and Development Authority, Board of Investments, Clark Development Corporation, Cagayan Economic Zone Authority, Clark International Airport Corporation, Philippine Economic Zone Authority and Subic Bay Metropolitan Authority. South Korea was the biggest source of investment pledges amounting to PHP25.37 billion. Singapore followed with PHP3.18 billion and China with PHP2.54 billion. The PSA said arts, entertainment and recreation had the largest share to total foreign investment pledges, amounting to PHP10.38 billion. This was followed by manufacturing with PHP9.08 billion and accommodation and food service activities with PHP9.07 billion. Among the regions in the country, Central Luzon received the highest share of investment pledges amounting to PHP33.08 billion, followed by Calabarzon with PHP3 billion and National Capital Region with PHP2.13 billion. Meanwhile, total investment pledges of foreign and Filipino nationals amounted to PHP125.95 billion, down from the PHP181.97 billion recorded in the same quarter of 2025. The PSA said a total of 13,108 employment is projected to be generated from approved projects with foreign interest.
<https://www.pna.gov.ph/articles/1275040>
- ✓ **Pagcor remits P5.67B from 2025 earnings to Treasury.** The Philippine Amusement and Gaming Corporation (Pagcor) has remitted P5.67 billion in dividends from its 2025 net earnings to the Bureau of the Treasury (BTr). It added that the remittance is in compliance with its mandate to turn over half of its annual income to the national government. The amount brings Pagcor's total dividend remittances to P29.9 billion since 2022. Alejandro Tengco, Pagcor Chairman and CEO, said the remittance comes despite continued pressures from geopolitical tensions, including the Middle East war. Tengco also acknowledged that the ongoing war, which has driven up fuel costs and weighed on mobility and consumer spending, has created pressure on the gaming industry. Pagcor is still waiting for the Governance Commission for government-owned and controlled corporations's (GOCCs) approval of its casino operations privatization plans. If approved and implemented, Pagcor would transition its focus more on regulation instead of operation. All GOCCs are required to remit at least 50 percent of their annual net earnings to the BTr under Republic Act No. 7656 or the Dividends Law.
<https://business.inquirer.net/590213/pagcor-remits-p5-67b-from-2025-earnings-to-treasury>
- ✓ **Canada joins expanded Luzon corridor pact.** Canada is now the 11th member of the Luzon Economic Corridor (LEC) initiative, enhancing support for infrastructure projects in the Subic-Clark-Manila-Batangas growth belt. On Wednesday, the US Embassy in Manila announced that Canada committed to provide P89 million in technical assistance for a joint project identified with the Philippines. This support, the embassy added, would "connect potential Canadian investors to the LEC." The LEC now has 11 members: the original tripartite partners—Philippines,

United States, and Japan—and new entrants Australia, Canada, Denmark, France, Italy, South Korea, Sweden, and the United Kingdom. In a joint statement released after a May 12 meeting of the LEC Steering Committee, the Philippines, the United States and Japan said the initiative had made “substantial progress” across its priority sectors. The new partners likewise discussed the challenges and reform priorities that are needed to attract more private investment into the corridor. With the partnership’s expansion, the trilateral partners said they expect the LEC to further strengthen its role in the Indo-Pacific. “Their participation brings substantial expertise, capabilities, and investment capacity that will accelerate progress and broaden the corridor’s strategic impact,” the statement read. “This expanded partnership reflects growing international recognition of the LEC’s importance to regional economic architecture and supply chain resilience.”

<https://business.inquirer.net/590362/canada-joins-expanded-luzon-corridor-pact>

- ✓ **Sweden plans wider PH investments after LEC entry.** Sweden sees its entry into the Luzon Economic Corridor (LEC) as “just the beginning” of broader investments and technical cooperation in the Philippines. Sweden added it considers its entry as a strategic and priority partner in Southeast Asia. Giselle Sia-Yap, senior trade promotion officer at the Embassy of Sweden in Manila, said Stockholm was exploring more opportunities to channel investments, grants and technical expertise into the country. Sweden was among seven countries that joined the expanded LEC partnership this week alongside Australia, Denmark, France, Italy, South Korea and the United Kingdom. For its part, Sweden initially committed a P74-million grant through state-owned development financier Swedfund to support feasibility studies for signaling systems and operational models for the planned Subic-Clark-Manila-Batangas freight railway. Beyond railways, Sia-Yap said Sweden sees opportunities for cooperation in areas such as energy efficiency, grid development, connectivity, public transportation and responsible mining technologies. Sia-Yap said Sweden’s growing interest in the Philippines was partly driven by the country’s strong macroeconomic fundamentals. Philippine and European trade officials are set to meet from May 18 to 22 for the sixth round of negotiations, which EU Ambassador to the Philippines Massimo Santoro earlier said could potentially be the final round of talks for the proposed free trade agreement.
<https://business.inquirer.net/590227/sweden-plans-wider-ph-investments-after-lec-entry>
- ✓ **Prime Infra's gas plants deployed to offset supply gap amid outages — DOE.** PrimeCoreGen’s natural gas plants were deployed to run at high capacity on Wednesday to offset supply gaps as the Luzon power grid was crippled by plant outages coupled with high demand amid the hot, dry season weather, which prompted the National Grid Corporation of the Philippines (NGCP) to hoist a red alert over the island. In a text message to reporters on Thursday, Energy Undersecretary Rowena Cristina Guevara said PrimeCoreGen natural gas facilities were dispatched during the period when the NGCP placed the grid under red alert status due to forced outages affecting at least 48 power plants, leading to 3,942.8 megawatts (MW) of unavailable capacity. “PrimeCoreGen / First Gen natural gas plants were actively dispatched during the period. Sta. Rita and Ilijan units exhibited sustained high utilization, EERI units showed stable mid-to-high loading, San Gabriel operated at moderate levels, and Avion units remained at relatively low but consistent output levels,” Guevara said. The NGCP implemented rotating brownouts to maintain the integrity of the grid. About 920,000 customers of Meralco experienced power interruptions lasting two to three hours on Wednesday evening.
<https://www.gmanetwork.com/news/money/companies/987609/prime-infra-s-gas-plants-deployed-to-offset-supply-gap-amid-outages-doe/story/>
- ✓ **Maharlika extends P15-billion loan to Petron for fuel supply boost.** State-run Maharlika Investment Corp. (MIC) has extended up to P15 billion in short-term financing to Ramon S. Ang-led Petron Corp., the country’s lone remaining oil refinery, to boost the firm’s working capital for fuel purchases. In a statement on Thursday, May 14, the country’s sovereign wealth fund (SWF) manager said it signed an agreement with Petron for a short-term revolving credit facility aimed at strengthening the country’s fuel security amid elevated global oil prices. Under the arrangement, MIC will provide financing that Petron may use solely for the purchase or importation of crude oil, refined petroleum products, and related working capital requirements. MIC President and Chief Executive Officer (CEO) Rafael D. Consing Jr. said the facility comes at a time when oil firms are grappling with higher funding requirements to maintain fuel inventories. “By supporting a critical component of the country’s energy supply chain, MIC is also positioned to generate risk-adjusted returns while enhancing economic resilience,” it said.
<https://mb.com.ph/2026/05/14/maharlika-extends-15-billion-loan-to-petron-for-fuel-supply-boost>
- ✓ **Philippines falls to 10th among top US farm export markets.** The Philippines dropped to 10th on the list of the United States’ (US) largest export destinations for agricultural products in 2025 after shipments declined by two percent due to weaker imports of wheat and processed vegetables. Based on its Agricultural Export Yearbook published last May 13, the US Department of Agriculture (USDA) said total agricultural exports to the Philippines reached \$3.41 billion last year, down from \$3.48 billion in 2024, when the country ranked ninth on the list. Wheat exports posted the biggest plunge in terms of value last year, as shipments of the commodity to the Philippines fell by 13 percent to \$630 million from the previous year’s \$728 million. In a separate report on the global grains trade, the USDA attributed the weaker wheat exports to the Philippines to sufficient domestic stocks and slowing feed wheat demand. Based on the report, the average value of total US agricultural exports to the Philippines from 2020 through 2025 was \$3.62 billion. With the Philippines on its way to upper-middle-income country (UMIC) status alongside its growing population, the USDA said the country continues to present significant opportunities for American agricultural exports. Last month, more than 50 agribusinesses and trade associations participated in the agribusiness trade mission hosted by the USDA in Manila.
<https://mb.com.ph/2026/05/14/philippines-falls-to-10th-among-top-us-farm-export-markets>
- ✓ **Senate turmoil seen weighing on confidence as stagflation risks rise.** The Philippine economy could face mounting pressure from rising political instability, with economists and business groups warning that this week’s chaos at the Senate may further weaken already fragile business and consumer confidence amid slowing growth, elevated inflation, and an ongoing energy crisis. Alvin Joseph A. Arago, head of research and chief economist at Philippine National Bank (PNB), said the events at the Senate on Wednesday would “certainly” not help an economy already grappling with weak sentiment tied to the flood control controversy, high inflation, and rising oil prices. Mr. Arago said the latest political tensions could further dampen sentiment among money managers, businesses and consumers. Business groups also raised concerns over the latest Senate incident, warning about possible effects on investor sentiment and the country’s international reputation. He said the Senate incident may affect the confidence of foreign buyers and investors in the country. Management Association of the Philippines President Donald Patrick L. Lim said political tensions are distracting policymakers from more pressing economic concerns. He added that investor confidence remains closely tied to political stability.
<https://www.bworldonline.com/top-stories/2026/05/15/749801/senate-turmoil-seen-weighing-on-confidence-as-stagflation-risks-rise/>
- ✓ **HSBC downgrades PH economic growth outlook, warns of stagflation.** Hongkong and Shanghai Banking Corp. Ltd. (HSBC) has downgraded its Philippine economic growth forecasts for this year and the next while hiking those for inflation, citing uncertainties over the Middle East crisis. According to HSBC Senior ASEAN Economist Aris Dacanay, Philippine forecasts have been revised to be closer to “adverse” scenario forecasts, which incorporate a more severe, entrenched, and long-lasting impact of the Middle East crisis. “For the Philippines – being a relatively vulnerable economy amid an energy shock – the ‘adverse’ scenario is merging with reality,” he said in a research note released on Thursday. Dacanay said the Philippine gross domestic product (GDP) is expected to grow by 3.4% this year, slower than the

earlier expected 4.6%. Growth for 2027 was also downgraded to 4.6% from 5.3%. HSBC has also raised its inflation forecast for 2026 to 6.6% from 4.0% previously and for 2027 to 4.4% from 3.2%, both above the Bangko Sentral ng Pilipinas' 2.0% to 4.0% target range. With the latest forecasts, Dacanay said the BSP is expected to raise policy rates by 50 basis points by June, and a total of 150 basis points to 6.0% at the end of the year.

<https://www.gmanetwork.com/news/money/economy/987615/hsbc-downgrades-ph-economic-growth-outlook-warns-of-stagflation/story/>

- ✓ **Jumbo rate cuts loom as BSP among Asia's 'active hawks' amid stagflation risks.** Even as the Philippines is seen posting its weakest post-global financial crisis (GFC) growth, think tank Oxford Economics still stands firm on its assumption that local monetary authorities will emerge among the "active hawks" on monetary policy, with jumbo rate hikes looming. Louise Loo, Asia economics head at Oxford Economics, wrote in a May 14 commentary that she expects the Bangko Sentral ng Pilipinas (BSP) to deliver a cumulative 75-basis-point (bp) policy rate hike following the quarter-point hike to 4.5 percent last month. If realized, the benchmark rate could settle at 5.25 percent. Loo's hawkish outlook hinged on the fact that despite the inflation-targeting interest rate hike, inflation still shot up to a three-year high of 7.2 percent in April. The peso also remained under pressure despite tighter policy supposedly buoying the local currency. The think tank said economic resilience varies among Asia-Pacific (APAC) economies. While north Asian economies benefit from an artificial intelligence (AI)-driven export boom, the Philippines is facing a "prolonged period of subdued domestic demand," Loo noted. Oxford Economics significantly lowered its 2026 real gross domestic product (GDP) growth projection for the Philippines to 3.5 percent from 5.5 percent previously. According to Oxford Economics, the need for further tightening stems from a policy gap that has widened as inflation outpaced interest rate adjustments. Although the BSP took an early lead in regional tightening, the think tank observed that inflation has still moved "much faster than the policy rate, leaving the real-rate offset incomplete." Meanwhile, the think tank said the economy maintains a unique stabilizer in the form of overseas Filipino worker (OFW) income. "Remittances should also provide some cushioning," Loo said, adding that flows from the Middle East "have historically been more stable than portfolio or tourism flows during external shocks."
<https://mb.com.ph/2026/05/14/jumbo-rate-cuts-loom-as-bsp-among-asias-active-hawks-amid-stagflation-risks>
- ✓ **Business, civic blocs demand Senate trial of VP Sara.** Business groups and civic organizations are ramping up pressure on the Senate to proceed with an impeachment trial against the vice president, warning that any attempt to bypass the constitutional process would jeopardize the nation's economic stability and institutional credibility. In a joint statement released on Thursday, May 14, influential blocs including the Makati Business Club, the Management Association of the Philippines, and the Financial Executives Institute of the Philippines argued that the Senate has a "constitutional obligation" to convene as an impeachment court. The coalition, which also includes the Justice Reform Initiative and the Federation of Philippine Industries, emphasized that the rule of law must remain paramount to maintain the country's appeal to foreign capital. For the business community, the stakes extend beyond political optics. The groups noted that long-term growth and investment depend heavily on the predictability of democratic institutions. They warned that if the proceedings are perceived as being sidelined by political interests rather than legal merit, the resulting erosion of trust could have direct fiscal consequences. While the local economy has shown resilience, market analysts often track political upheavals for their impact on the peso and the local equities market. The business groups are concerned that a failure to follow the prescribed legal path could lead to a downgrade in institutional sentiment. They further stressed that the legitimacy of the government's democratic framework rests on its fidelity to the 1987 Constitution, particularly when under the strain of high-stakes political maneuvers. By ensuring a fair and credible trial, the groups argued, the Senate can reinforce the integrity of the state and provide the legal certainty required to sustain the Philippine economic trajectory.
<https://mb.com.ph/2026/05/14/business-civic-blocs-demand-senate-trial-of-vp-sara>
- ✓ **Security Bank earnings dip with lower non-interest income, higher provisions.** Security Bank Corp. reported a 3.6-percent decline in net income to ₱2.7 billion in the first quarter of 2026 from ₱2.8 billion during the same period last year due to lower non-interest income and higher provisions amid challenging operating conditions. In a disclosure to the Philippine Stock Exchange (PSE) on Thursday, May 14, the bank said its pre-provision operating profit actually rose 24 percent year-on-year to ₱7.5 billion, supported by disciplined cost management. "We had a solid start to the year, driven by stronger core earnings and disciplined cost management. We remain focused on sustaining operational discipline, growing responsibly, and making banking simpler, faster, and more responsive for our customers," said Security Bank President and Chief Executive Officer (CEO) Victor Lee Meng Teck.
<https://mb.com.ph/2026/05/14/security-bank-earnings-dip-with-lower-non-interest-income-higher-provisions>
- ✓ **Cebu Pacific swung to net loss in Q1 on weak peso.** A weaker peso grounded Cebu Pacific into a net loss in the first quarter despite higher revenues and stronger passenger traffic this period. In a disclosure on Wednesday, the Gokongwei-led budget carrier said it posted a net loss of P400 million in the first quarter, reversing the P466-million profit it recorded in the same period last year. It added that foreign exchange losses had effect on its earnings. Cebu Pacific said the peso's depreciation resulted in a noncore foreign exchange loss of P1.8 billion. Cebu Pacific expects the second and third quarters to remain loss-making, with the airline pinning hopes instead on stronger holiday travel demand in the fourth quarter. "The fuel price increase was both steep and sudden, while our ability to recover the higher cost in the form of higher fares is naturally delayed, given that a significant portion of our seats are sold in advance," Cezar added. The weaker bottom line came despite broader operational growth during the quarter. Despite the softer earnings, Cebu Pacific said it remained in a "strong liquidity position," ending March with more than P23 billion in cash and a fleet of 101 aircraft. "Despite that this year will be a loss-making year, we are confident that next year we'll be back to an excellent story," Szucs said. "And who knows, the competitive environment may change as well."
<https://business.inquirer.net/590197/cebu-pacific-swung-to-net-loss-in-q1-on-weak-peso>



REST OF THE WORLD



- ✓ **Asia markets mixed as Trump-Xi summit, AI trade dominate.** Asian markets were mixed Thursday (May 14) as investors weighed a high-stakes US-China summit and persistent inflation concerns, which tempered optimism fuelled by record highs on Wall Street. But investor attention centred on Trump's visit to Beijing - the first by a US president in nearly a decade - with markets hoping for progress in easing trade tensions. Analysts, though, cautioned against expecting a major breakthrough. The meeting of the superpowers will likely be overshadowed by the war in the Middle East, which has seen the crucial Strait of Hormuz effectively closed - sending global energy prices soaring. In Asian markets, Hong Kong, Tokyo, Seoul, Taipei and Manila advanced, while Shanghai, Wellington and Singapore were down.

Currency markets were relatively steady, with the yen slightly weaker and the yuan ticking higher. Investors are now looking to the Trump-Xi talks for direction, with even modest progress on trade or technology cooperation seen as enough to boost risk appetite in the near term.
<https://www.channelnewsasia.com/business/asia-markets-mixed-trump-xi-summit-ai-trade-dominate-6120396>

- ✓ **European Stocks Close Higher for 2nd Session.** European stocks closed sharply higher for a second session on Thursday with support from corporate earnings and fresh geopolitical developments. The Eurozone's STOXX 50 closed 1.2% higher at 5,931 and the STOXX 60 added 0.7% to 616. Constructive rhetoric came out of the summit between US and Chinese presidents Trump and Xi in the first days of talks, limiting concerns of disruptions that were initially triggered by trade disputes last year. Tech companies closed with sharp gains.
<https://tradingeconomics.com/euro-area/stock-market/news/550803>
- ✓ **Wall Street ends higher on tech rally; investors eye Trump-Xi talks in Beijing.** US stocks advanced on Thursday (May 14), lifted by a rally in tech stocks as investors absorbed generally solid economic data and watched for developments from Beijing, where Trump was engaged in a high-stakes meeting with his Chinese counterpart Xi Jinping. All three major US stock indexes gained ground, with the S&P 500 and the Nasdaq setting their latest in a series of record closing highs. The blue-chip Dow closed just 0.3 per cent shy of its all-time closing high reached on Feb 10. On the economic front, retail sales were in line with expectations, but propped up by rising gasoline prices resulting from the Iran war. Gasoline was largely responsible for the biggest jump in import prices since October 2022. A series of inflation reports in the week of May 11 showed the risk of spiking energy costs metastasising to other goods and services, extinguishing hopes for near-term rate cuts from the US Federal Reserve. The Dow Jones Industrial Average rose 370.26 points, or 0.75 per cent, to 50,063.46, the S&P 500 gained 56.99 points, or 0.77 per cent, to 7,501.24 and the Nasdaq Composite gained 232.88 points, or 0.88 per cent, to 26,635.22.
<https://www.businesstimes.com.sg/companies-markets/wall-street-ends-higher-tech-rally-investors-eye-trump-xi-talks-beijing>
- ✓ **Brent Steadies as Markets Watch Trump-Xi Talks.** Brent crude futures steadied near \$106 per barrel on Thursday, pausing their recent advance as investors shifted focus to the upcoming meeting between US President Donald Trump and Chinese President Xi Jinping. The leaders are expected to center discussions on trade rather than tensions surrounding the Iran war, although Washington recently intensified pressure on Tehran by threatening banks and imposing fresh sanctions on entities involved in Iranian oil sales to China, the largest importer of its crude. Meanwhile, the US Energy Information Administration reported that crude oil and fuel flows through the Strait of Hormuz declined by nearly 6 million barrels per day in the first quarter after the Middle East conflict erupted in late February. The IEA also warned that the global oil market is likely to remain heavily undersupplied until October even if the conflict ends next month, while Saudi Arabia informed OPEC that its oil output fell to the lowest level since 1990.
<https://tradingeconomics.com/commodity/brent-crude-oil/news/550453>
- ✓ **Gold Poised for Weekly Loss.** Gold traded near \$4,650 an ounce on Friday and was on track to fall more than 1% for the week, pressured by accelerating US inflation that fueled concerns the Federal Reserve may need to keep interest rates elevated or even hike them. Data released earlier this week showed US wholesale inflation surged at its fastest pace since 2022 in April, while consumer prices posted their largest increase since 2023. Inflationary pressures have been driven largely by the prolonged Middle East conflict and the near-shutdown of the critical Strait of Hormuz, which has severely disrupted global energy shipments. Markets have now fully ruled out a Fed rate cut this year, with some traders increasingly pricing in the possibility of a rate hike by December.
<https://tradingeconomics.com/commodity/gold/news/550867>
- ✓ **War turmoil saps Asian reserves with Philippines, India hit most.** Foreign-exchange reserves are slumping across Asia as policymakers shell out funds to defend their currencies against the spike in oil prices caused by the Iran war. The Philippines has led losses with its stockpile sinking 8.1 per cent since the conflict started to US\$104 billion, while India's dropped 5.2 per cent to US\$691 billion and Indonesia's slipped 3.8 per cent to US\$146 billion, data compiled by Bloomberg show. The declines represent both the drain from spending to support local currencies and a reduction in the value of non-US-dollar holdings. The slide in reserves adds to evidence that Asia has been one of the biggest losers from the Middle East conflict due to its reliance on energy imports. At the same time, there's a widely held view that the region is currently better placed to handle economic turmoil than it was in past episodes, such as the Asian financial crisis in the 1990s or the 2013 taper tantrum. Asian central banks have stepped into currency markets with increasing frequency in recent weeks as surging energy costs worsen the outlook for their economies. While central banks have been active to support their currencies, losses are significant. The peso has weakened 6.1 per cent since the end of February, while the Indian rupee has dropped 5 per cent and Indonesia's rupiah has slipped 4 per cent. The decline in reserves, coupled with higher costs for items such as oil, has driven down "import cover" in the region – a key metric that measures the number of months of imports a country can pay for with its currency reserves. The slide in Asian currencies is compelling regional central banks to look beyond straightforward avenues such as foreign-exchange intervention. The decline in Asian reserves across Asia is making some central banks more cautious and may result in tighter monetary policy, according to Australia & New Zealand Banking Group (ANZ). "While other measures could be deployed, ultimately more central banks in the region will need to raise interest rates to ensure inflation is kept in check and to ease depreciation pressure," said Khoon Goh, head of Asia research at ANZ in Singapore.
<https://www.businesstimes.com.sg/companies-markets/capital-markets-currencies/war-turmoil-saps-asian-reserves-philippines-india-hit-most>
- ✓ **Asia-Pacific banks face growing credit risks, raise provisions as Iran war drags on.** Asia-Pacific banks may have to raise their loan loss provisions further in the near-term as the Iran conflict darkens economic prospects in the region, heavily reliant on Middle Eastern oil, analysts said. Banks in countries including Australia, Singapore and India flagged possible credit hits of hundreds of millions of dollars each as they reported their March quarter earnings, blaming the indirect cost of the conflict. The surging credit loss provisions come at a time when the lenders are also facing the prospects of higher-for-longer oil prices, supply chain and trade disruptions, rising interest rates and weaker corporate balance sheets. While higher loss provisions would not make a big dent in the short term, given strong capital buffers, analysts warn that prolonged energy market disruptions could result in actual credit losses and pile pressure on banks to replenish balance sheets. Current credit loss provision levels at Asia-Pacific banks are much smaller compared to the charges they took to cope with the Covid-19-induced economic shocks five years ago. For the top four Australian banks, the total of A\$957 million (S\$885 million) in provisions set aside for war-related risks is 80 per cent lower than the buffer created in 2020. For eight large Asian banks, excluding China and Japan, it's 70 per cent lower at US\$2.8 billion, according to Reuters calculations. But it's possible to see an uptick in Asian banks' actual credit losses, Ng said, though the magnitude will depend on the duration of the war, which is now in its 11th week. The economic toll of the conflict is

mounting in the region. The Asian Development Bank cut its growth forecast for developing Asia and the Pacific to 4.7 per cent this year and 4.8 per cent in 2027, down from 5.1 per cent for both years previously.

<https://www.businesstimes.com.sg/companies-markets/banking-finance/asia-pacific-banks-face-growing-credit-risks-raise-provisions-iran-war-drags>

- ✓ **Yen Extends Losses for Fourth Session.** The Japanese yen weakened toward 158 per dollar on Thursday, falling for the fourth straight session as the dollar gained traction on accelerating US inflation, which reinforced expectations that the Federal Reserve could maintain higher interest rates or even deliver an additional hike. The absence of decisive intervention from Japanese authorities also weighed on sentiment, although traders remain alert to potential action after US Treasury Secretary Scott Bessent expressed support for Tokyo's recent efforts to stabilize the currency. On the policy front, the Summary of Opinions from the Bank of Japan's April meeting suggested that policy-makers debated the possibility of additional interest rate increases as early as the next meeting, with higher oil prices further complicating the inflation outlook. Separately, the OECD projected that the Bank of Japan's policy rate could rise to 2% by the end of 2027.
<https://tradingeconomics.com/japan/currency/news/550511>
- ✓ **BOJ board member Masu calls for early rate hike.** The Bank of Japan should raise interest rates as soon as possible if there are no clear signs of an economic slowdown, Kazuyuki Masu, a member of the central bank's board, said on Thursday, pointing to mixed views at an April policy meeting. The remarks by Masu, who voted to keep rates steady, suggest he may join the dissenters to call for a rate hike at the BOJ's next meeting in June. "I myself judge that the situation did not warrant a hasty hike," Masu said in a speech. "That said, if data do not indicate clear signs of an economic downturn, I believe it is desirable to raise rates at the earliest stage possible."
<https://www.channelnewsasia.com/business/boj-board-member-masu-calls-early-rate-hike-6120616>
- ✓ **Malaysia IPOs surge toward 13-year high amid wave of upcoming listings.** Initial public offerings (IPOs) are booming in Malaysia and a wave of upcoming listings, including by a chip design firm, is powering the market towards the biggest volume in 13 years. IPOs have raised US\$1.2 billion in the first four months of 2026, already nearing the US\$1.4 billion for all of 2025, Bloomberg-compiled data show. Malaysia's IPO market remained resilient as post-pandemic political stability and steady economic growth, especially compared with some South-east Asian peers from Thailand to the Philippines, buttressed investor appetite. Now, with the artificial intelligence boom driving Asian markets to new heights, Malaysia's equity capital markets are also poised for their next step. Part of the reason for the increase in IPO activity is that some companies are just now regaining momentum post-pandemic, according to Chooi at Maybank. Some of the government's policies, such as the national energy transition plan and semiconductor roadmap, are also kicking in and reflected in earnings, helping to buoy sentiment, Chooi said. That means larger firms are now in a position to tap markets and take advantage of increased valuations, in contrast with the past few years when the bulk of listings came from smaller issuers. The South-east Asian country has been a rare bright spot even as the Middle East conflict roiled markets elsewhere, thanks to its status as an energy exporter. The impact of geopolitical tensions on Malaysian companies has been manageable and that has underpin issuer confidence in accessing the equity capital markets, Masliza added.
<https://www.businesstimes.com.sg/international/asean/malaysia-ipos-surge-toward-13-year-high-amid-wave-upcoming-listings>
- ✓ **UK grows 0.6% in the first quarter — before the Iran war really started to hit global economy.** The U.K. economy grew 0.6% in the first quarter, according to preliminary figures from the Office for National Statistics on Thursday. It matches what economists polled by Reuters expected for the January-March period, and follows revised growth of 0.2% in the fourth quarter. "Growth picked up in the first quarter of the year, led by broad-based increases across the services sector," Liz McKeown, director of Economic Statistics at the ONS, commented on X on Thursday. Production also grew slightly, she added, and while construction returned to growth, that was only partly reversing weakness at the end of last year. There were indications that the Q1 data could be positive after a revised 0.4% expansion in February, but the Iran war is expected to weigh on macroeconomic data going forward. The economy grew 0.3% in March, the ONS said Thursday.
<https://www.cnn.com/2026/05/14/uk-q1-gdp-2026.html>
- ✓ **Pound Nears Two-Week Low as UK Leadership Speculation Swirls.** The British pound held just above \$1.35 on Thursday, near its weakest level since late April, as markets focused on potential leadership challenges to Prime Minister Keir Starmer. Health Secretary Wes Streeting, seen as the most market-friendly candidate, is expected to resign this week and may launch a bid to replace Starmer as soon as today. Meanwhile, Angela Rayner, another potential contender, was cleared by HMRC in a tax probe, possibly clearing her path to join the race. Rayner's more left-leaning stance is viewed as negative for the gilt market. Economically, UK GDP grew by 0.6% in Q1 2026, with annual growth at 1.1%, better than anticipated. March's unexpected 0.3% expansion, defying forecasts of a 0.2% contraction, drove the upside.
<https://tradingeconomics.com/united-kingdom/currency/news/550572>
- ✓ **Europe needs the digital euro.** After years of preparation, the European Union's three governing bodies – the European Parliament, the European Council and the European Commission – are finally ready to begin formal negotiations on the digital euro. When they do, a project once conceived as a technocratic modernisation of monetary infrastructure will become one of the most politically contested items on the bloc's agenda. The Commission and the European Central Bank (ECB) have described the digital euro as an effort to adapt fiat currency to the digital age. That framing, while incomplete, carried the project through the technical preparation phase. It will not carry it much further. The digital euro is not merely a technical upgrade. It is a political project in the long tradition of European institution-building, and its success or failure will ultimately depend less on engineering than on whether Europe's leaders are willing to defend it. European policymakers have spent years laying the technical groundwork for the digital euro. They must now approach the political struggle over its future with the same rigour. Most forms of European integration, from regulatory harmonisation to fiscal rules, remain invisible to ordinary citizens. But a digital currency would allow hundreds of millions of Europeans – most of whom know little about the institutional mechanics of integration – to interact daily with the same payments system, using the same interface, wherever they are in the eurozone. The EU's current push for strategic autonomy in defence, semiconductors and cloud infrastructure means little if it does not extend to the payment systems that underpin Europe's economy. For a generation that has experienced integration primarily as a set of constraints, the digital euro could become a highly visible European institution that makes life easier. Few initiatives on the European agenda could demonstrate the tangible benefits of integration and cross-border cooperation as effectively. The ECB cannot make the political case for the digital euro. The European Commission, national governments and European Parliament must do so. And they must be honest about what they are defending: the digital euro is not simply an effort to modernise the eurozone's payments system; it is a European institution that happens to take the form of a payments system.

<https://www.businesstimes.com.sg/opinion-features/europe-needs-digital-euro>

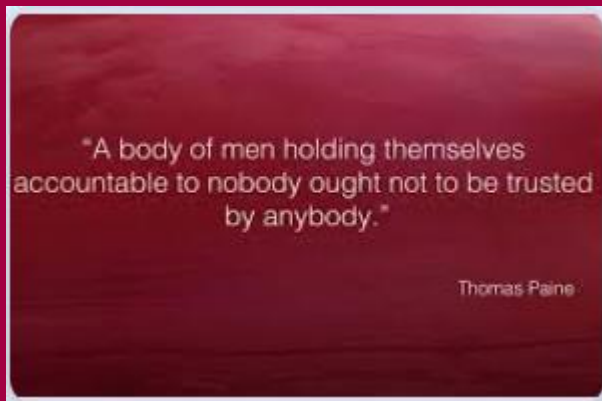
- ✓ **US-China summit: Trump sees 'better' ties, Xi warns over Taiwan, as talks conclude.** China's President Xi Jinping on Thursday (May 14) hailed a "new positioning" of bilateral ties with the US after his summit with President Donald Trump, according to Chinese state broadcaster CCTV. Xi said both leaders agreed that building a constructive, strategically stable relationship will provide guidance for bilateral relations in the next three years and beyond, CCTV said. The talks, which lasted more than two hours, also saw the pair tackle thorny issues including Taiwan, the self-ruled democratic island claimed by Beijing. Xi pressed Trump on Taiwan and warned of a potential conflict if mismanaged, in blunt remarks that punctured an otherwise cordial start to the first visit to China by a sitting US president in nearly a decade. The US president highlighted the business delegation joining his trip that includes Nvidia's Jensen Huang and Tesla's Elon Musk. The US corporate leaders are "here today to pay respects to you and to China, and they look forward to trade and doing business, and it's going to be totally reciprocal on our behalf," he said. While specific outcomes from the discussions likely will not become clear until the summit concludes, topics on the agenda are expected to include trade, tariffs, Taiwan and Iran. Trump, who included a group of US corporate executives including Musk and Huang in his delegation, said his first priority would be asking Xi to roll back trade barriers. US CEOs including Nvidia's Huang, Apple's Cook accompanied Trump on this trip. One of the key voices in those conversations will be Nvidia CEO Jensen Huang, who joined the trip at the last minute. His focus will be on AI chips - a major sticking point in US-China ties. What happens next for Nvidia is one of the most closely watched aspects of this trip. There's a parallel track of dealmaking and networking happening around this trip as well. The US business delegation traveling with Trump spans sectors from tech and finance to aviation and agriculture.
<https://www.businesstimes.com.sg/international/global/us-china-summit-trump-sees-better-ties-xi-warns-over-taiwan-talks-conclude>
- ✓ **Trump, Xi agree Strait of Hormuz must stay open, White House says.** US President Donald Trump and Chinese President Xi Jinping agreed in a meeting that the Strait of Hormuz must be open for the free flow of energy, according to a White House readout of the summit on Thursday (May 14). Trump and Xi also discussed building on progress in ending the flow of fentanyl precursor chemicals into the US, as well as increasing Chinese purchases of US agricultural products, the statement said. Taiwan was not mentioned in the White House summary of the meeting, which it described as "good".
<https://www.businesstimes.com.sg/international/global/trump-xi-agree-strait-hormuz-must-stay-open-white-house-says>

UPCOMING BAIPHIL WEBINARS



TRAINING PROGRAMS		PROGRAM DETAILS		
COMMITTEE	TITLE	DATE	COURSE OUTLINE	REGISTRATION LINK
Finance and Audit Course Committee (FACCOM)	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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	Excel VBA Programming	July 30 – 31, 2026	PROGRAM DETAILS	REGISTER HERE
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	Basic Leadership & Effective Supervision Seminar (BLESS) – A Program for Supervisors	May 22, 2026	PROGRAM DETAILS	REGISTER HERE
	Mastering the Art of Connection: Strategic & Persuasive Communication for Banking Professionals	June 17-18, 2026	PROGRAM DETAILS	REGISTER HERE
Products, Bank Operations and	Basic Identification Documents, Business Documents & Income Documents Verification	May 28, 2026	PROGRAM DETAILS	REGISTER HERE

Management (PBOM) Course Committee	Signature Verification and Forgery Detection	May 29, 2026	PROGRAM DETAILS	REGISTER HERE
	Fraud and Forgery Detection and Prevention Program	June 24, 2026	PROGRAM DETAILS	REGISTER HERE
	Know Your Money and Counterfeit Detection	June 25, 2026	PROGRAM DETAILS	REGISTER HERE
Risk Management Course (RMC) Committee	Implementing a Circular Economy Aligned to ISO 59020 & UN SDGs	May 18, 2026	PROGRAM DETAILS	REGISTER HERE
	Fraud Risk Management Professional Training Program	May 20, 2026	PROGRAM DETAILS	REGISTER HERE
	Methodologies for IFRS 9 ECL Modeling	June 5, 2026	PROGRAM DETAILS	REGISTER HERE
	Enterprise Risk Management	June 16, 2026	PROGRAM DETAILS	REGISTER HERE



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