BAIPHIL MARKET WATCH

BAIPHIL: Aligning Innovation and Regulation in the AI Era

28 August 2026

Legend
- *Improvement / Up*
- *Deterioration / Down*
- *No Movement*

Shaping the Future of Banking Beyond Digital Transformation: BAIPHIL Joins World Conference of Banking Institutes 2026

As banking adapts to rapid technological change, evolving customer expectations, and increasing regulatory complexity, collaboration among industry leaders has never been more important. The Bankers Institute of the Philippines, Inc. ("BAIPHIL" or the "Institute") joined banking professionals from around the world at the **World Conference of Banking Institutes 2026**, contributing Philippine perspectives to discussions shaping the future of the profession focusing on **Professional Banking in an Age of Digital Transformation and AI.**

25th World Conference of Banking Institutes 2026

BAIPHIL was honored to participate in the **World Conference of Banking Institutes 2026 ("WCBI2026"), held from June 16–18 at The University of St Andrews, St Andrews, Scotland.**

The conference brought together more than 100 senior leaders and representatives from banking institutes, academe, and financial organizations from 20 counties around the world to discuss how global pressures are reshaping the banking profession and how professional bodies can respond through coherent standards that strengthen future skills, professional judgment, employer capability, and public trust.

For BAIPHIL, participation in this global dialogue was both a privilege and a noteworthy milestone. The event provided a valuable platform to exchange insights and learn from the experiences of banking professionals facing similar challenges across different jurisdictions.

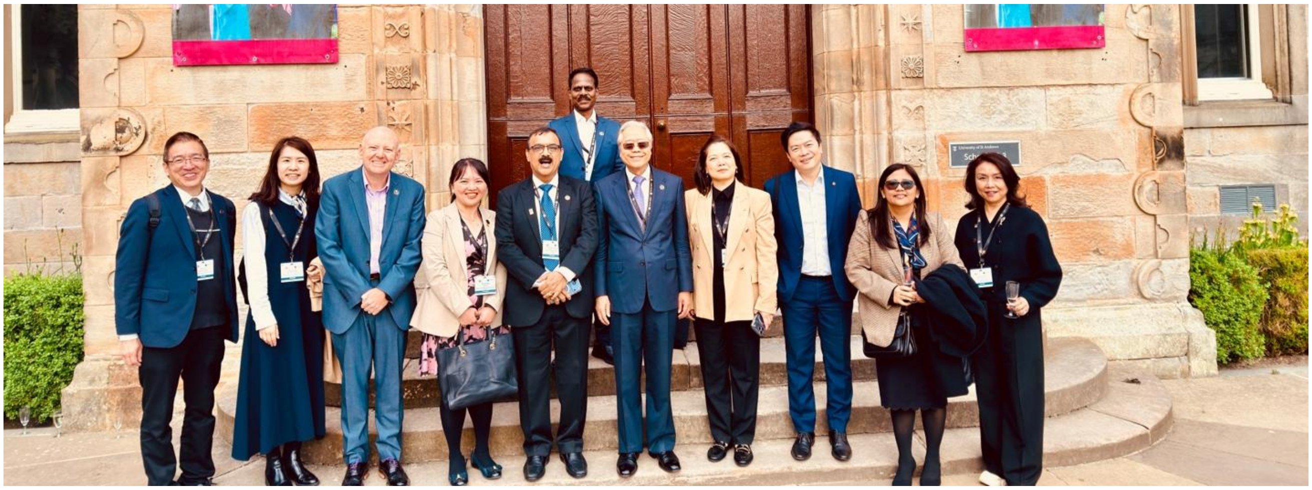
Beyond the formal sessions, the conference offered invaluable opportunities to learn from the experiences, initiatives, programs, strategic priorities, and future aspirations of banking institutes from around the world. While many of these lessons are too extensive to fully capture in a single article, one message consistently emerged across discussions and roundtables: the future of banking will be shaped not only by technology, but by how effectively institutions adapt learning models, professional standards, and governance frameworks to continuous change.

During the conference, **BAIPHIL President Shirley G. Felix** shared the Institute's perspectives on the theme "Global Pressures, Local Realities" - how changing banking business models, the emergence of non-bank competitors, technology-driven transformation, evolving customer behavior, and increasing regulatory divergence are shaping the local banking landscape. Drawing from BAIPHIL's experience, Ms. Felix highlighted how the Institute continues to support the Philippine banking industry through programs designed and delivered by banking and financial industry experts, ensuring that learning remains practical, relevant, and responsive to the sector's needs.

Shirley G. Felix, FY 2025-2026 BAIPHIL President and Officer-in-Charge, Office of the Executive Vice President, Receivership and Liquidation Sector, Philippine Deposit Insurance Corporation sharing the Institute's perspectives on the theme "Global Pressures, Local Realities."

A key discussion during the conference centered on the concept of "Consistency without Uniformity: A Global Compact for Professional Banking." Participants explored how local banking realities differ across jurisdictions, while recognizing that many regulatory and supervisory pressures are shared globally. Conversations also examined the growing influence of artificial intelligence (AI) and its potential to transform the banking profession, while reaffirming that banking professionals around the world remain united by common goals and values.

One of the conference's most significant takeaways was the recognition that AI is no longer a future consideration—it is already an important part of banking and will continue to play an increasingly important role in the years ahead.



Standing 7th from the left: **Shirley G. Felix**, FY 2025–2026 BAIPHIL President and Officer-in-Charge, Office of the Executive Vice President, Receivership and Liquidation Sector, Philippine Deposit Insurance Corporation, Standing 9th from the left: **Atty. Lei P. Paz-Aguba**, BAIPHIL Trustee-in-Charge, Corporate Communications and Information Exchange Committee, and SVP – Head, Legal Treasury and Global Markets, Legal Division with Asian-Pacific Association of Banking Institutes (APABI) Delegates

WCBI2026 delegates agreed that while bankers remain an essential **"human in the loop,"** the future of banking depends on keeping AI firmly **human-led**. As AI capabilities advance, banking professionals must continue to provide the judgment, accountability, and ethical oversight that technology cannot replace, ensuring that AI is applied responsibly and in the best interests of customers and institutions. Now, more than ever, these distinct human qualities will become even more valuable.

Finally, WCBI2026 delegates returned to their home countries with one clear affirmation: **TRUST remains the foundation of the banking profession and its most enduring strength. As long as that trust is preserved, AI will not replace bankers, it will empower them, serving as a powerful ally in shaping the future of banking.**

BAIPHIL extends its sincere appreciation to the Asian-Pacific Association of Banking Institutes (APABI), under whose delegation BAIPHIL attended the WCBI 2026, for connecting the Institute to this important global dialogue; to the Chartered Banker Institute for organizing an exceptional conference that fostered meaningful collaboration and learning; and to fellow delegates and participants from banking institutes, academe, and financial organizations around the world, whose insights, experiences, and openness made the conference a truly enriching, memorable, and worthwhile experience.

FINANCIAL MARKETS AT A GLANCE

Currency Echange[1]	Current	*Previous*
USD/PHP	61.8880	61.6500
USD/JPY	159.4800	159.3100
USD/CNY	6.7217	6.7227
EUR/USD	1.1640	1.1655
GBP/USD	1.3573	1.3598

PHP BVAL Reference Rates[2]	Current	*Previous*
30-Day	4.8721	4.8399
91-Day	5.0688	5.0515
180-Day	5.4095	5.3702
1-Year	5.6731	5.6619
3-Year	6.6833	6.6904
5-Year	7.0503	7.0453
10-Year	7.2830	7.2922

Domestic Stock Index[3]	Current	*Previous*
PSEi	6,004.58	6,137.23
Trade Value (Php B)	7.821	5.345

Stock Index[4]	Current	*Previous*
NIKKEI 225	66,131.98	66,262.16
FTSE 100	10,792.54	10,878.12
DOW JONES	53,569.44	53,463.88
S&P 500	7,730.99	7,675.70
NASDAQ	26,541.35	26,130.20

Various[5/6]	Current	*Previous*
Brent Crude (USD/bbl)	88.36	87.84
3-M US Treasury Yield	3.84%	3.85%
5-Y US Treasury Yield	4.38%	4.37%
10-Y US Treasury Yield	4.67%	4.66%

PHILIPPINES



- ✓ **Local stocks plunge to two-month low on BSP rate hike.** Equities market suffered a steep selloff, dragging the benchmark stock index to its lowest level in more than two months as investors dumped shares ahead of a rate increase by the Bangko Sentral ng Pilipinas (BSP) that was announced late in the trading day. The Philippine Stock Exchange index (PSEi) dropped 132.65 points, or 2.16 percent, to finish at 6,004.58 on Thursday, Sept. 27. The decision by the BSP to raise its overnight reverse repurchase rate by 25 basis points to five percent reinforced risk aversion among equity investors. The monetary tightening, combined with lingering geopolitical instability in the Middle East and projections of decelerating credit demand, continued to weigh heavily on local market sentiment. Adding to equity market headwinds, local currency weakness pushed the peso to a record low against the US dollar.
  https://mb.com.ph/2026/08/27/local-stocks-plunge-to-two-month-low-on-bsp-rate-hike

- ✓ **Peso sinks to record-low 61.888:$1 as markets sell off.** The peso sank to a record-low close against the US dollar Thursday as economic and corporate downgrades, geopolitical tensions and concerns over the Bangko Sentral ng Pilipinas' policy outlook triggered a broader market sell-off. The local currency weakened by P0.238 to 61.888 per dollar from 61.65 Wednesday, according to the Bankers Association of the Philippines. Thursday's finish surpassed the previous record low of 61.847 per dollar set on July 24. Financial analyst Astro del Castillo said economic and corporate downgrades, persistent geopolitical tensions and the BSP's latest policy decision weighed on both equities and the peso. He added that investors could be shifting toward dollar-denominated assets as market volatility intensifies. RCBC Chief Economist Michael Ricafort said the peso also remained under pressure following recent BSP signals on exchange-rate management and higher inflation projections, reflecting risks from a possible severe El Niño event and further wage increases. Ricafort said the widening national government budget deficit and recent weakness in the local stock market added to pressure on the peso.
  https://malaya.com.ph/business/business-news/peso-sinks-to-record-low-61-8881-as-markets-sell-off/

- ✓ **Philippine central bank hikes key rate for third straight meeting.** The Bangko Sentral ng Pilipinas (BSP) tightened for a third straight meeting on Thursday, but remained measured as it sought to strike a balance between containing lingering price pressures and preventing further growth slowdown. The Monetary Board raised the target reverse repurchase rate (RRP) by 25 basis points (bps) to 5%, the highest in over a year or since the 5.25% in June 2025. This also matched the benchmark rate set in August 2025. Rates on the overnight deposit and lending facilities were also lifted by 25 bps each to 4.5% and 5.5%, respectively. "The measured increases in the policy rate will continue to anchor inflation expectations and mitigate the risk of further second-round effects," the central bank said in a statement. "Despite slow growth in the first half of 2026, the fundamentals for growth appear to be intact over the medium term. With the support of fiscal measures, growth is expected to strengthen in the second half of the year."
  https://bworldonline.com/top-stories/2026/08/27/772835/philippine-central-bank-hikes-key-rate-for-third-straight-meeting/

- ✓ **BSP: Without oil, AI industries, PH inflation higher than neighbors.** The lack of local oil and artificial intelligence (AI) industries increased the Philippines' inflation in 2026 compared to its neighboring countries despite being affected by the same international tensions, the Bangko Sentral ng Pilipinas (BSP) said on Thursday. BSP Governor Eli Remolona Jr. remarked during the Senate finance panel on its first hearing on the proposed 2027 national expenditure program (NEP), where the BSP reported the inflation in the past year. Prior to this, the BSP reported a headline inflation of 6.2% in July 2026 amid volatile food and energy costs, which notably rose following the tensions between the United States and Israel against Iran in the Middle East. But, after the presentation, Sen. Risa Hontiveros pointed out that the Iran conflict affected several countries, including the Philippines' neighbors in southeast Asia that comparably have lower inflation rates. Remolona then explained that unlike some of the other countries in the region, the Philippines does not have its own oil reserves. Moreover, Remolona pointed out that the same applies for AI – an industry that could offset volatile energy costs. Later in the hearing, Hontiveros highlighted that it is not the oil production alone that is affecting the inflation, citing the Asian Development Bank (ADB).
  https://business.inquirer.net/607849/bsp-without-oil-ai-industries-ph-inflation-higher-than-neighbors

- ✓ **Philippine bank deposits hit ₱22 trillion in Q1 as savings surge.** Philippine bank deposits grew at a faster pace in the first quarter of 2026, nearing ₱22.1 trillion as households and businesses parked more funds in banks amid sustained confidence in the financial system. In a statement on Thursday, Aug. 27, state-run deposit insurer Philippine Deposit Insurance Corp. (PDIC) reported that total deposits reached ₱22.04 trillion as of end-March, up by ₱1.97 trillion, or 9.8 percent, from ₱20.1 trillion a year ago. The increase was nearly twice the 5.3-percent growth, equivalent to ₱1 trillion, recorded between March 2024 and March 2025. PDIC said the acceleration came a year after the maximum deposit insurance coverage (MDIC) was doubled to ₱1 million per depositor per bank effective March 15, 2025. Individual depositors and private corporations accounted for more than three-fourths of the year-on-year increase, reflecting stronger cash holdings among households and businesses. PDIC said the growth may reflect higher household and business income supported by employment, remittances, and business activity, with individuals and companies possibly keeping a larger share of their funds in banks for easier access and security. Time deposits emerged as the biggest driver of growth, increasing by ₱896.1 billion and accounting for 45.5 percent of the overall year-on-year expansion. The number of deposit accounts likewise posted double-digit growth, reaching 178.6 million as of end-March, up by 27.2 million, or 18 percent, from a year earlier. Fully insured accounts rose by 27.1 million, or 18.2 percent, year on year to 176.5 million, representing 98.8 percent of all domestic deposit accounts. Total insured deposits, meanwhile, exceeded ₱5 trillion as of March.
  https://mb.com.ph/2026/08/27/philippine-bank-deposits-hit-22-trillion-in-q1-as-savings-surge

- ✓ **Philippine bourse sees fewer brokers on SEC's capital hike plan.** The Philippines' stock market operator sees a reduction in stock brokerage firms should the Securities & Exchange Commission go ahead with a plan to increase capitalization requirements. Consolidation is "a good thing especially for risk management purposes," Philippine Stock Exchange, Inc. (PSE) President and Chief Executive Officer Ramon Monzon told Bloomberg TV's Haslinda Amin, when asked about the corporate regulator's plan. The Philippines has 121 stock brokerage firms, the most in the region, despite weak trading volume and a comparatively small number of listed companies, Monzon said. "With this capital increase, I think there will be some more brokers that will stop their operations."
  https://bworldonline.com/bloomberg/2026/08/27/772824/philippine-bourse-sees-fewer-brokers-on-secs-capital-hike-plan/

- ✓ **PH fiscal deficit widens to P106.3 billion in July.** The Philippine government posted a P106.3-billion deficit in July, wider than the P18.9-billion deficit a year ago, as expenditures grew faster than revenues, data released by the Bureau of the Treasury (BTr) on Thursday showed. Revenues for the month grew by 2.12% to P482.3 billion, with tax collections up 7.03% or P29.7 billion, while non-tax revenues contracted by 39.92% or P19.7 billion. Expenditures grew by 19.82%, or P97.4 billion, reaching P588.6 billion. The BTr explained this increase was due to social assistance programs under the Unified Package for Livelihood, Industry, Food, and Transport (UPLIFT), aimed at mitigating the effects of the Middle East conflict. The latest figures brought the year-to-date fiscal deficit to P893.1 billion, up 13.85% or P108.7 billion from the P784.4-billion budget gap at the same time last year.
  https://www.gmanetwork.com/news/money/economy/1000056/ph-fiscal-deficit-widens-to-p106-3-billion-in-july/story/

- ✓ **Gov't eyes 72%-28% domestic-foreign borrowing mix for 2027 —DOF.** The Marcos administration is eyeing further reducing the government's exposure to foreign borrowings to shield the sovereign debt pile from foreign exchange fluctuations. At the Senate committee on finance hearing, Finance Secretary Frederick Go said that "majority" of the planned P3.304 trillion borrowing next year "will be sourced domestically." Go said the administration is looking at a 72%-28% borrowing mix, in favor of domestic sources. "Our 2027 financing strategy prioritizes lower risk domestic sources to secure cost-effective financing, maintain a prudent debt profile, and deepen our local bond market," the Finance chief said. For 2027, the Budget and Expenditures and Sources of Financing showed that the government is projecting that the total outstanding debt next year will amount to P21.48 trillion, higher than the projected P19.76-trillion debt level for 2026. Next year's debt level projection assumed a P62:$1 exchange rate by the end of 2027. During the hearing, Go said about 33% of the total debt "is in the form of foreign exchange." "What the government has been doing is we've been increasing our peso exposure and reducing our foreign exchange exposure. In the past, we might have borrowed 60% in peso, 40% in foreign exchange. Today, our goal is to borrow more of 75 to 80% in peso, and only 20% to 25% in foreign exchange," Go said.
  https://www.gmanetwork.com/news/money/economy/1000068/gov-t-eyes-72-28-domestic-foreign-borrowing-mix-for-2027-dof/story/

- ✓ **Multidimensional poverty at 12.8% in 2024 —PSA.** The Philippine Statistics Authority (PSA) on Thursday released the inaugural Multidimensional Poverty Index (MPI), which found that 12.8% of Filipinos are "multidimensionally poor" in 2024. In a statement, the PSA said the MPI was developed to measure poverty by considering "deprivations in different aspects of well-being," complementing the income-based poverty estimates regularly released every two years. "MPI shows that aside from monetary poverty, Filipinos experience overlapping deprivations in the basic necessities of life," it said. The MPI, in particular, measured "deprivations" in education, health and nutrition, housing, water, and sanitation, and employment. In a separate statement, the Department of Economy, Planning and Development (DEPDev) Secretary Arsenio Balisacan said that "the MPI shows that poverty is not just about what people earn." "It is also about whether Filipinos have access to essential services that allow them to live productive and dignified lives," Balisacan said. The MPI data was released following the PSA's issuance of the 2025 full-year poverty statistics, which showed that poverty incidence among individuals declined to its "lowest-ever" rate of 9.7% in 2025, from 15.5% in 2023.
  https://www.gmanetwork.com/news/money/economy/1000033/multidimensional-poverty-at-12-8-in-2024-psa/story/

- ✓ **Record low poverty due to higher incomes of poorest households—DEPDev.** The Department of Economy, Planning, and Development is attributing the record-low poverty incidence to rising incomes among the poorest households. Speaking to "Bagong Pilipinas Ngayon" of PTV, Undersecretary Rosemarie Edillon said between 2023 and 2025, income of families in the bottom two deciles increased by almost 23 percent. She said the prices of food and non-food items frequently consumed by these households only increased by more than 5 percent. Edillon also said that the conditional cash transfer program 4Ps and social pension also helped in the drop in poverty incidence in the country. However, Edillon notes there are regions that still experience high poverty incidence. Edillon said Sulu and Tawi-tawi improved on their poverty incidence significantly— especially because housing projects were implemented in the region. She highlighted that human capital investment is important in lowering poverty incidence.
  https://www.abs-cbn.com/news/business/2026/8/26/record-low-poverty-to-higher-income-of-bottom-two-deciles-of-households-depdev-1701

- ✓ **Infrastructure spending plunges by 34% in June.** Infrastructure spending plunged by 34% in June as stricter validation, audit and documentation requirements delayed disbursements, the Department of Budget and Management (DBM) said. The latest DBM report showed infrastructure and other capital outlays fell by 34.1% to P98 billion in June from P148.8 billion a year earlier. Month on month, infrastructure spending jumped by 22.4% from P80.1 billion in May. For the first six months, infrastructure and other capital outlays slumped by 40.8% to P367.4 billion from P620.2 billion a year ago. Despite the annual decline, first-half infrastructure and other capital outlays exceeded the P351.8-billion program by P15.6 billion or 4.4%.The DBM said infrastructure spending could recover in the second half, driven by DPWH's additional operating requirements for projects nationwide. Analysts said the government would have to significantly accelerate project execution and disbursements in the second half to meet its full-year infrastructure spending program.
  https://bworldonline.com/top-stories/2026/08/28/772957/infrastructure-spending-plunges-by-34-in-june/

- ✓ **Marcos admin's infra budget set at P1.47-T for 2027—DBM.** The Department of Budget and Management (DBM) on Thursday said the Marcos administration has set a P1.47 trillion budget for its "Build Better More" infrastructure initiative under the proposed P7.2-trillion National Expenditure Program (NEP) in 2027, as the government aims to stimulate economic activity and support jobs generation. In a statement, the DBM said the P1.47-trillion budget for infrastructure is equivalent to 4.4% of gross domestic product (GDP). It was also higher by 13.8% or P178 billion than the P1.29 trillion budget under the 2026 General Appropriations Act (GAA). Bulk of the proposed infrastructure budget next year, or 42.2%, is allocated for the Department of Public Works and Highways (DPWH) at P619.04 billion. The Budget Department said the higher public infrastructure spending in 2027 is expected to help sustain economic growth, generate jobs, reduce logistics and travel costs, and strengthen connectivity across the country. For next year, the DPWH's entire proposed budget was set at P643.95 billion, 21.29% or P113.05 billion higher than its P530.90-billion budget under this year's GAA. The DBM noted that the higher infrastructure allocation is accompanied by safeguards beginning at the budget preparation stage, with infrastructure proposals undergoing evaluation and validation before they are considered for inclusion in the NEP. It said that, consistent with the FY 2027 Budget Call and Budget Priorities Framework, the proposed projects are assessed based on their alignment with national and regional development priorities, implementation readiness, project maturity, absorptive capacity and past utilization performance, expected outcomes, and overall value to the Filipino people. For infrastructure projects, agencies are likewise required to submit complete and sufficient project information and supporting documents to establish their necessity and readiness for implementation, the DBM said.
  https://www.gmanetwork.com/news/money/economy/1000028/marcos-admin-s-infra-budget-set-at-p1-47-t-for-2027-dbm/story/

- ✓ **Biz group urges 'zero tolerance' for corruption in 2027 budget process.** The Management Association of the Philippines (MAP) is calling for "zero tolerance" for corruption and questionable spending in the 2027 national budget, urging the government to institutionalize end-to-end transparency across the budget process. According to the business group, the administration should allow the public to trace public expenditures from appropriation to actual expenditure. "The technology to do this already exists. What is required is the political will to make

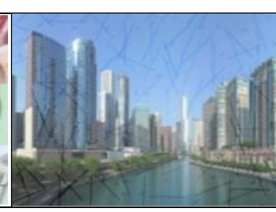
transparency the rule rather than the exception," the statement read. "Corruption in public spending is not only a governance issue. It is an economic issue. Every peso lost to corruption is a peso taken away from classrooms, hospitals, infrastructure, agriculture, social services, and programs that could create jobs and improve the lives of Filipinos," it added. As Congress continues budget deliberations, the MAP said material amendments and insertions introduced, along with the bicameral conference, should be fully disclosed, including their proponents, amounts, and purposes. "These practices have no place in a government that claims to uphold good governance and fiscal responsibility," it added. "The MAP believes that accountability must apply equally, regardless of political affiliation, position, or influence. No official entrusted with public resources should be beyond scrutiny, and no expenditure involving taxpayers' money should be beyond reasonable public examination," the group said. "Public office is a public trust, and those entrusted with the national budget carry an obligation to demonstrate that the interests of the Filipino people come before political or personal interests," it added.
https://www.gmanetwork.com/news/money/economy/1000036/biz-group-urges-zero-tolerance-for-corruption-in-2027-budget-process/story/

- ✓ **AMRO cuts Philippine growth outlook to 3.4% as energy inflation hits.** The Philippines' economy faces a sharp slowdown this year as soaring global energy prices drive up inflation and sluggish public investment drags on domestic activity, according to the ASEAN+3 Macroeconomic Research Office (AMRO). The country's economy, as measured by the gross domestic product (GDP), is projected to expand by 3.4 percent in 2026 from 4.4 percent last year, the regional surveillance organization said in a statement on Thursday, Aug. 27, following its annual consultation visit to Manila. Growth is expected to recover to 4.8 percent in 2027, anchored by resilient exports and steady inflows of overseas worker remittances. According to AMRO, consumer prices are set to rise 5.4 percent this year from 1.7 percent in 2025, fueled by high crude oil prices following the conflict in the Middle East and second-round price increases across food and essential services. Inflation is forecasted to cool to 3.8 percent in 2027. "Growth this year will be weighed down by weaker private consumption amid higher inflation and subdued investment, although a gradual recovery in public construction in the second half of the year and resilient exports should provide some support," said Jinho Choi, AMRO group head and lead economist.
https://mb.com.ph/2026/08/27/amro-cuts-philippine-growth-outlook-to-34-as-energy-inflation-hits

- ✓ **EastWest Bank seeks ₱9 billion in capital to fuel expansion plans.** East West Banking Corp., the financial services arm of the Gotianun group, is raising ₱9 billion through a proposed stock rights offering (SRO) of common shares to existing shareholders. In a disclosure to the Philippine Stock Exchange (PSE), the bank said offer proceeds will support its strategic growth, expansion plans, general corporate purposes, and financing requirements. EastWest Bank said its expansion includes scaling up its wealth and priority banking propositions, investing in transformative digital technologies, and funding loan growth across key retail and business segments. "This proposed rights offering positions EastWest for its next phase of growth while giving our existing shareholders the opportunity to participate in the bank's long-term value creation," said EastWest Bank President and CEO Jerry G. Ngo. "The additional capital will support continued expansion across our core businesses and enhance our ability to pursue strategic opportunities in a fast-evolving financial landscape, while strengthening our balance sheet," he added. Approved by the board of directors on Aug. 27, 2026, the SRO will be backed by major shareholders Filinvest Development Corp. (FDC) and FDC Ventures Inc., which have committed to subscribe to all unsubscribed shares. In a separate disclosure, FDC said its board authorized management during a special meeting on Aug. 27 to proceed with the group's participation in the offering. This includes FDC and FDC Ventures subscribing to their respective entitlement shares and simultaneously applying for any additional rights shares available under the SRO.
https://mb.com.ph/2026/08/27/eastwest-bank-seeks-9-billion-in-capital-to-fuel-expansion-plans

- ✓ **Japan's Sumitomo Mitsui completes 30% investment in RCBC Leasing.** Yuchengco-led Rizal Commercial Banking Corp. (RCBC) said Japan's Sumitomo Mitsui Finance and Leasing Co. Ltd. (SMFL) has completed its acquisition of a 30-percent stake in RCBC Leasing and Finance Corp. (RLFC), providing fresh capital to support the financing firm's nationwide expansion. In a disclosure to the Philippine Stock Exchange (PSE) on Thursday, Aug. 27, RCBC said that since SMFL had already satisfied all requirements, including obtaining approvals and permits from the relevant authorities, RLFC is now an equity method affiliate company of SMFL. RLFC President and Chief Executive Officer (CEO) Jayson L. Mendoza said the investment supports the company's expansion plans, foreseeing growth over the next three to five years in priority sectors such as manufacturing, construction, information technology (IT), renewable energy (RE), including electric vehicles (EVs) and solar panels, healthcare, logistics, and auto leasing. For its part, the investment allows SMFL to expand its business base in the Philippines, where strong economic growth and increasing demand for financial services are expected, by integrating SMFL's sales and management expertise with RCBC's strong customer base and RLFC's team structure.
https://mb.com.ph/2026/08/27/japans-sumitomo-mitsui-completes-30-investment-in-rcbc-leasing

REST OF THE WORLD


- ✓ **Asian stocks rise as Nvidia earnings forecast beats estimates, South Korea's Kospi gains.** Stocks rose at the start of the Asia-Pacific trading session on Thursday (Aug 27) as Nvidia's latest earnings report beat estimates, lifting tech hardware manufacturers and reviving investor confidence. This came after data overnight showed that the US Federal Reserve's preferred US inflation measure is still running hot. MSCI's broadest index of Asia-Pacific shares excluding Japan was up 0.7 per cent, on track to extend gains into a third consecutive day after Nvidia reported that its quarterly revenue more than doubled and forecast third-quarter revenue above Wall Street estimates. South Korea's Kospi rose 1.5 per cent, paring early gains after the Bank of Korea raised interest rates by 25 basis points to 3 per cent, in line with market views that narrowly expected a hike. Taiwanese shares rose 0.9 per cent, while the Nikkei 225 slid 0.4 per cent.
https://www.businesstimes.com.sg/companies-markets/capital-markets-currencies/asian-stocks-rise-nvidia-earnings-forecast-beats-estimates-south-koreas-kospi-gains

- ✓ **FTSE 100 Falls for 2nd Day**. The FTSE 100 fell more than 0.5% on Thursday, extending its decline for a second consecutive session as weakness across banking, healthcare and commodity-related stocks weighed on the index. Meanwhile, Nvidia's stronger-than-expected results and upbeat outlook for artificial intelligence demand provided a significant boost to technology stocks globally, but the FTSE 100 has limited exposure to the sector and therefore lagged its European and US counterparts. Oil prices remained volatile as investors assessed developments around a potential agreement between Iran and Oman to establish a temporary route through the Strait of Hormuz.

https://tradingeconomics.com/united-kingdom/stock-market/news/578772

- ✓ **US stocks: Nasdaq, S&P 500 lifted by Nvidia's forecast; investors eye speech by US Fed's Warsh.** The technology-heavy Nasdaq outperformed peers at the close of trade on Thursday (Aug 27) after chipmaker Nvidia's bumper revenue forecast reaffirmed the strength of the AI boom and fuelled gains in technology stocks. "Nvidia's results show that the AI boom is not running out of demand ... while delivering that growth is becoming more expensive and capital-intensive," said Lale Akoner, global market strategist at eToro. The S&P 500 closed 55.29 points, or 0.72 per cent, higher at 7,730.99 and the Nasdaq Composite gained 411.16 points, or 1.57 per cent, to 26,541.35. The Dow Jones Industrial Average rose 105.56 points, or 0.2 per cent, to 53,569.44. With Nvidia results out, investor attention turns to US Federal Reserve chair Kevin Warsh's first Jackson Hole address on Friday for hints on the US central bank's stance on the latest inflation data and the US Treasury's efforts to tame yields.
https://www.businesstimes.com.sg/companies-markets/capital-markets-currencies/us-stocks-nasdaq-sp-500-lifted-nvidias-forecast-investors-eye-speech-us-feds-warsh

- ✓ **Brent Crude Volatile Around $88.** Brent crude oil traded around $88 a barrel on Thursday after three consecutive sessions of losses, as markets weighed improving supply prospects through the Strait of Hormuz against growing disruptions to Russian energy exports. Iran's military said it had reached a revenue-sharing agreement with Oman over the strategic waterway, raising hopes that shipping disruptions could ease. However, Tehran stressed that the arrangement does not guarantee an immediate reopening of the strait, keeping uncertainty elevated. Saudi Arabia also appears to be increasing oil loadings from Persian Gulf terminals as it seeks alternatives to routes exposed to Houthi attacks in the Red Sea. Meanwhile, concerns are growing over potential further escalation of the Russia-Ukraine war. Continued Ukrainian strikes on Russian refineries and ports are disrupting the country's energy infrastructure and could limit its ability to export crude and refined products.
https://tradingeconomics.com/commodity/brent-crude-oil/news/578645

- ✓ **Gold Rises as Fed Outlook Mulled**. Gold climbed toward $4,650 an ounce on Thursday, recovering most of the previous session's losses as investors continued to weigh the outlook for Federal Reserve monetary policy ahead of a key meeting next month. Data released Wednesday showed US PCE prices rose more than expected in July and remained well above the Fed's target, supporting a bullish outlook on interest rates. Investors now turn to Fed Chair Kevin Warsh's speech at the annual Jackson Hole symposium on Friday, although he is not expected to offer clear guidance on the central bank's September policy decision. Meanwhile, gold hovered near its highest level in three months as the so-called debasement trade continued to provide support, with investors hedging against risks of a US debt crisis and a weaker dollar.
https://tradingeconomics.com/commodity/gold/news/578392

- ✓ **China industrial profit growth in July slumps to 7-month low of 11.2%.** China's industrial profits growth in July slowed to its weakest pace this year, expanding 11.2% from a year earlier, according to National Bureau of Statistics data on Thursday. For the first seven months of this year, profits climbed 17.6% from a year earlier, losing momentum following the 18.7% rate in the first half-year. The survey covers firms with annual revenues of over 20 million yuan ($2.9 million) from their core operations. Industrial corporate profitability has seen a notable turnaround, swinging from years of declines since 2021 and barely positive growth last year, to double-digit gains this year. That recovery was largely helped by a global artificial intelligence boom that fueled demand for computing and electronics equipment manufacturing.
https://www.cnbc.com/2026/08/27/china-industrial-profits-july-factory-production-.html

- ✓ **BOJ deputy governor Himino calls for 'timely' rate hike.** Bank of Japan Deputy Governor Ryozo Himino said on Thursday raising interest rates in a timely manner will help avoid a spike in inflation that would require abrupt rate hikes in the future. "If underlying inflation deviates above our 2 per cent target, that would have an adverse impact on the economy. We should pay greater attention to upside risks to prices than in the past," Himino said in a speech to business leaders. With underlying inflation approaching 2 per cent, the BOJ must focus on stabilising price growth around that level, he added. A weak yen, for one, could push up inflation at a faster pace than in the past, Himino said, adding that the impact of exchange-rate moves on inflation is among key factors the BOJ will look at in guiding policy.
https://www.channelnewsasia.com/business/boj-deputy-governor-himino-calls-timely-rate-hike-6344051

- ✓ **BOK delivers back-to-back rate hikes as price pressures persist.** The Bank of Korea on Thursday raised its benchmark interest rate by a quarter percentage point to 3.00 per cent, as expected, delivering a second straight increase as inflation stays above target and financial stability risks persist. The seven-member monetary policy board at the BOK voted to raise the seven-day repurchase rate to the highest level since February 2025, a decision predicted by 18 of 35 economists surveyed in a Reuters poll. The BOK also revised up this year's growth estimate to 3.3 per cent from the 2.6 per cent projected in July. It left this year's inflation forecast unchanged at 2.7 per cent. The median expectation is now for one more rate hike in the first quarter of 2027 and then a hold through to at least the end of next year, as analysts expect policymakers to put more emphasis on managing financial stability amid an overheating housing market while strong growth feeds into underlying inflation.
https://www.channelnewsasia.com/business/bok-delivers-back-back-rate-hikes-price-pressures-persist-6343961

- ✓ **ECB Sees Future Hike as Likely as Inflation Risks Persist**. All ECB policymakers agreed to leave rates unchanged at the July meeting, following the first rate hike since 2023 in June, citing elevated uncertainty and the fact that the full inflationary impact of the energy shock had yet to emerge, according to the latest minutes. However, some said they would not have opposed another hike, noting that the likelihood of further tightening becoming unnecessary remained low. Policymakers saw upside risks to inflation and downside risks to growth from geopolitical developments in the Middle East and the Russia-Ukraine war, while stressing that communication should remain clear to avoiding any pre-commitment to a September move. The minutes emphasized that the July pause should not be interpreted as the end of the tightening cycle, with another hike likely unless the inflation outlook improves significantly. At the same time, policymakers wanted to keep the September decision open, allowing room for the medium-term inflation outlook to improve.
https://tradingeconomics.com/euro-area/interest-rate/news/578693

- ✓ **German Consumer Mood Unexpectedly Improves**. Germany's GfK Consumer Climate Indicator rose to -26.6 heading into September 2026 from a revised -29.4 in August, marking its least pessimistic reading since March and beating forecasts for a decline to -29.6. Economic expectations also improved for a fourth month, rising 2.4 points to -3.9, supported by Germany's economy growing 0.3% in Q2, above the initial 0.2% estimate, although they remained more than six points below the level a year earlier.
https://tradingeconomics.com/germany/consumer-confidence/news/578512

- ✓ **Pound Falls as BoE Rate Hike Bets Shift to 2027.** The British pound fell below $1.36, retreating from six-month highs reached last week, as a recent decline in Brent crude prices eased inflation concerns and led markets to push expectations for the next Bank of England rate hike into 2027 from late 2026. LSEG data showed around 24 bps of tightening priced in by December and 36 bps by February 2027. Less than 4 bps is priced in for the BoE's September meeting, implying roughly a 15% chance of a hike. Most economists expect rates to remain at 3.75% this year, despite markets previously pricing a hike amid concerns over a potential escalation in the US-Iran conflict. UK inflation rose to 2.9% in July, driven by higher household energy bills, and is expected to climb further toward year-end, while the labor market remained subdued. Investors now await Fed Chair Kevin Warsh's Jackson Hole speech on Friday for further clues on the US rate outlook.
https://tradingeconomics.com/united-kingdom/currency/news/578627

- ✓ **US Initial Jobless Claims Fall for 2nd Week.** The number of people claiming unemployment benefits in the US fell by 4,000 to 203,000 on the third week of August, below market expectations that they would rise to 208,000, holding the trend of low claim counts since dropping to the near 60-year low of 189,000 in the middle of July. Meanwhile, continuing claims, a gauge of outstanding unemployment in the US, fell by 18,000 to 1,778,000 in the earlier period, also below expectations. The data extended the period of resilience in the US labor market despite the unexpected contraction in payrolls per the latest BLS data, aligned with the view from some FOMC members that the US is in full employment. Meanwhile, initial claims filed by federal employees, which have been under scrutiny due the administration's efforts in decreasing the number of public workers, fell by 59 to 390, the lowest since December 2024.
https://tradingeconomics.com/united-states/jobless-claims/news/578715

- ✓ **US Goods Trade Deficit Largest Since March 2025.** The US goods trade deficit widened to $118.8 billion in July 2026 from $101.4 billion in June, according to preliminary data. It was the largest deficit since March 2025, when it reached a record $158.7 billion. Imports rose 3.7% to a 16-month high of $318.2 billion, driven by higher purchases of capital goods (11.3%) and consumer goods (0.1%), which more than offset declines in industrial supplies (-3.9%), automotive vehicles (-1.6%), and foods, feeds, and beverages (-0.9%). Meanwhile, exports fell 2.9% to $199.4 billion, marking a third consecutive monthly decline and their lowest level since January. The decrease was led by lower shipments of industrial supplies (-11.2%), foods, feeds, and beverages (-1.4%), and automotive vehicles (-0.7%).
https://tradingeconomics.com/united-states/goods-trade-balance/news/578712

UPCOMING BAIPHIL WEBINARS

Erosion or Evolution? The Changing Landscape of Bank Secrecy Laws

Target Participants: Members of the Board of Directors, Senior Management, General Counsel, Legal Officers, CROs and Risk Officers, CCOs and Compliance Officers, Finance Officers, Branch Banking Officers and Personnel.

TRAINING FEE PER PARTICIPANT:

Member Institution – Php 2, 800

Non- Member Institution – Php 3,920

PROGRAM DETAILS

REGISTER HERE

Consumer Protection in Banking: Navigating FCPA Implementation Issues

Target Participants: Board of Directors, Senior Management, Branch Banking Sector, Regional/Branch Heads, or any authorized branch personnel, Personnel from Consumer Protection Department/Unit, Legal Department/Group, Frontline Personnel, Compliance Personnel, and Internal Auditor. Also open to the general public.

TRAINING FEE PER PARTICIPANT:

Member Institution – Php 3,920

Non- Member Institution – Php 5,040

PROGRAM DETAILS

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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)	September 9 - 10, 2026	PROGRAM DETAILS	REGISTER HERE
	Overview of ICAAP	September 25, 2026	PROGRAM DETAILS	REGISTER HERE
	Auditing the Cybersecurity Function	October 30, 2026	PROGRAM DETAILS	REGISTER HERE
	Accounting for Non-Accountants (With Financial Statement Analysis)	November 4 - 5, 20	PROGRAM DETAILS	REGISTER HERE
	Overview of ICAAP	November 20, 2026	PROGRAM DETAILS	REGISTER HERE
	Essential Tools to Smart Financial Decisions: Cost-Benefit Analysis, Budgeting, Breakeven, and Beyond	November 16, 2026	PROGRAM DETAILS	REGISTER HERE
	Accounting for Non-Accountants (With Financial Statement Analysis)	December 3 - 4, 2026	PROGRAM DETAILS	REGISTER HERE
	Auditing the Cybersecurity Function	December 11, 2026	PROGRAM DETAILS	REGISTER HERE
Governance, Legal, Regulatory and Compliance (GLRC) Course Committee	Erosion or Evolution? The Changing Landscape of Bank Secrecy Laws	September 15, 2026	PROGRAM DETAILS	REGISTER HERE
	Basic Course on Corporate Governance	September 23, 2026	PROGRAM DETAILS	REGISTER HERE
	Consumer Protection in Banking: Navigating FCPA Implementation Issues	October 5, 2026	PROGRAM DETAILS	REGISTER HERE
	Basic Course on Corporate Governance	October 23, 2026	PROGRAM DETAILS	REGISTER HERE
	Basic Course on Corporate Governance	November 19, 2026	PROGRAM DETAILS	REGISTER HERE
Information Technology and	Cloud Security	September 7, 2026	PROGRAM DETAILS	REGISTER HERE

Security Course (ITSEC) Committee	IT Security in Banking Operations	September 14 - 15, 2026	PROGRAM DETAILS	REGISTER HERE
	Cybersecurity Governance, Risks, and Controls	September 18, 2026	PROGRAM DETAILS	REGISTER HERE
	Cybersecurity Governance, Risks, and Controls	November 13, 2026	PROGRAM DETAILS	REGISTER HERE
	Intermediate Excel Training for Bankers	October 15-16, 2026	PROGRAM DETAILS	REGISTER HERE
	Advanced Excel Training for Bankers	November 26 - 27, 2026	PROGRAM DETAILS	REGISTER HERE
Leadership Effectiveness Course (LEC) Committee	Conflict Resolution and Management	September 15, 2026	PROGRAM DETAILS	REGISTER HERE
	Effective Business Writing: Level-Up! (Module 2)	September 17, 2026	PROGRAM DETAILS	REGISTER HERE
	Basic Leadership and Effective Supervision Seminar (BLESS) For Bank Supervisors	September 23, 2026	PROGRAM DETAILS	REGISTER HERE
	Problem Solving and Decision Making (PSDM) in the Workplace	September 29 - 30, 2026	PROGRAM DETAILS	REGISTER HERE
	WRITING FOR IMPACT: Strengthening Your Business Communication Skills (Module 3)	October 8, 2026	PROGRAM DETAILS	REGISTER HERE
	Leadership Effectiveness and Advancement Program (LEAP) - A Program for Managers	October 13 - 14, 2026	PROGRAM DETAILS	REGISTER HERE
	Effective Business Writing: Professionalizing Your Communication Skills (Module 1)	October 19, 2026	PROGRAM DETAILS	REGISTER HERE
	The Leadership Blueprint: Strategies and Insights	October 20, 2026	PROGRAM DETAILS	REGISTER HERE
	Effective Business Writing: Level-Up! (Module 2)	October 28, 2026	PROGRAM DETAILS	REGISTER HERE
	Basic Leadership and Effective Supervision Seminar (BLESS) For Bank Supervisors	November 19, 2026	PROGRAM DETAILS	REGISTER HERE
	WRITING FOR IMPACT: Strengthening Your Business Communication Skills (Module 3)	November 25, 2026	PROGRAM DETAILS	REGISTER HERE
Products, Bank Operations and Management (PBOM) Course Committee	Fundamentals of Credit Module 3 & 4: Business Risk Assessment and Industry Risk Assessment	September 2 – 3, 2026	PROGRAM DETAILS	REGISTER HERE
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	Crash Course in Financial Instruments Part 2: Risk Management & Valuation	September 11, 2026	PROGRAM DETAILS	REGISTER HERE
	Fundamentals of Credit: Module 5: Basic Accounting and Financial Analysis, Module 6: Cash Flow Analysis and Module 7: Financial Spreadsheets, Validation and Projections	September 16 – 18, 2026	PROGRAM DETAILS	REGISTER HERE
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	Signature Verification and Forgery Detection	September 25, 2026	PROGRAM DETAILS	REGISTER HERE
	Fundamentals of Credit Module 8: Credit Lending Process	October 6 - 7, 2026	PROGRAM DETAILS	REGISTER HERE
	Basic Identification Documents, Business & Income Documents Verification	October 21, 2026	PROGRAM DETAILS	REGISTER HERE
	Fraud & Forgery Detection and Prevention Program	October 22, 2026	PROGRAM DETAILS	REGISTER HERE
	Remedial Management	November 12 – 13, 2026	PROGRAM DETAILS	REGISTER HERE
	Signature Verification and Forgery Detection	November 26, 2026	PROGRAM DETAILS	REGISTER HERE
	Know Your Money and Counterfeit Detection	November 27, 2026	PROGRAM DETAILS	REGISTER HERE
	Fraud & Forgery Detection and Prevention Program	December 17, 2026	PROGRAM DETAILS	REGISTER HERE
	Basic Identification Documents, Business & Income Documents Verification	December 18, 2026	PROGRAM DETAILS	REGISTER HERE
Risk Management Course (RMC) Committee	Business Continuity: Strengthening Your Fundamentals to a Robust or Resiliency Level	September 1, 2026	PROGRAM DETAILS	REGISTER HERE

	Third Party Risk Management	September 4, 2026	PROGRAM DETAILS	REGISTER HERE
	SEC Sustainable Finance Taxonomy 2025 Guidelines (SFTG)	September 22, 2026	PROGRAM DETAILS	REGISTER HERE
	Fraud Risk Management Professional Training Program	September 28, 2026	PROGRAM DETAILS	REGISTER HERE

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2 Philippine Dealing System: http://www.pds.com.ph/
3 Philippine Stock Exchange: http://www.pse.com.ph/stockMarket/home.html
4 Reuters: https://www.reuters.com/markets/stocks
5 Bloomberg: https://www.bloomberg.com/markets/commodities
6 CNN Money: https://money.cnn.com/data/bonds/

OTHER REFERENCES / EXTERNAL LINKS

- *Philippine Stock Exchange: http://www.pse.com.ph/stockMarket/home.html*
- *Philippine Dealing System: http://www.pds.com.ph/*
- *GMA News Online: http://www.gmanetwork.com/news/*
- *BPI Asset Management: https://www.bpiassetmanagement.com/*
- *Business World: http://bworldonline.com/*
- *Philippine Daily Inquirer: http://business.inquirer.net/*
- *Philippine Star: https://www.philstar.com/business/*
- *ABS-CBN News: http://news.abs-cbn.com/business/*
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- *Straits Times: https://www.straitstimes.com/global*
- *Channel News Asia: https://www.channelnewsasia.com/*
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