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BAIPHIL

BAIPHIL MARKET WATCH

BAIPHIL: Aligning Innovation and Regulation in the AI Era

2 September 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.

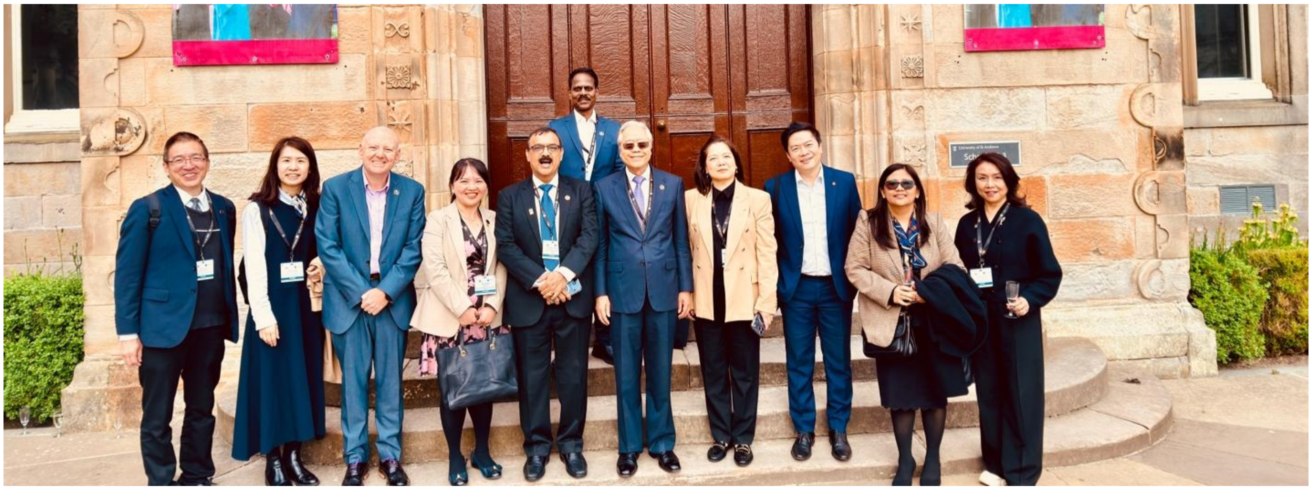
Beyond the formal sessions, the conference offered invaluable opportunities to learn from the experiences, initiatives, programs, strategic priorities, and future aspirations of banking institutes from around the world. While many of these lessons are too extensive to fully capture in a single article, 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	62.4000	*61.8800*
USD/JPY	160.1800	*159.7400*
USD/CNY	6.7210	*6.7259*
EUR/USD	1.1594	*1.1617*
GBP/USD	1.3517	*1.3548*

PHP BVAL Reference Rates[2]	Current	*Previous*
30-Day	4.9175	*4.8721*
91-Day	5.1020	*5.0688*
180-Day	5.4976	*5.4095*
1-Year	5.7110	*5.6731*
3-Year	6.7311	*6.6833*
5-Year	7.0953	*7.0503*
10-Year	7.2439	*7.2830*

Domestic Stock Index[3]	Current	*Previous*
PSEi	6,093.89	*5,956.33*
Trade Value (Php B)	10.470	*18.804*

Stock Index[4]	Current	*Previous*
NIKKEI 225	66,215.34	*66,311.93*
FTSE 100	10,789.28	*10,824.26*
DOW JONES	52,766.88	*53,185.90*
S&P 500	7,631.47	*7,686.14*
NASDAQ	26,099.77	*26,370.89*

Various[5/6]	Current	*Previous*
Brent Crude (USD/bbl)	94.65	*90.95*
3-M US Treasury Yield	3.92%	*3.91%*
5-Y US Treasury Yield	4.55%	*4.49%*
10-Y US Treasury Yield	4.79%	*4.75%*

NEWS

PHILIPPINES



- **PSEi rebounds above 6,000 on bargain hunting.** Local stocks snapped a four-day losing streak on Tuesday as investors hunted for bargains, while stronger manufacturing data eased concerns about the domestic economy. The benchmark Philippine Stock Exchange Index (PSEi) jumped 2.31 percent, or 137.56 points, to close at 6,093.89, recovering above the 6,000 level after last week's selloff. Philstocks Financial Inc. said investors bought battered shares after four straight sessions of declines. Sentiment also improved after the S&P Global Philippines Manufacturing Purchasing Managers' Index (PMI) climbed to 54.9 in August from 51.8 in July. The higher reading signaled a stronger expansion in the country's manufacturing sector, helping temper worries over the economy, according to Philstocks.
https://business.inquirer.net/608693/psei-rebounds-above-6000-on-bargain-hunting-2

- **Peso sinks to fresh record-low ₱62.4:$1 as global risks fuel calls for clearer BSP guidance.** Despite a fresh policy rate hike, escalating geopolitical risks and rising import costs dragged the Philippine peso to a record-low ₱62.4 to the dollar, fueling market demands for clearer guidance from the central bank. The peso slid to another historic-low close against the greenback on Tuesday, Sept. 1, from the previous record of ₱62.265 last Friday, Aug. 28. The local currency's close was also its intraday low. The peso opened at ₱62.25, which was also its intraday high, at the start of the week. Total trading volume fell to $1.306 billion from Friday's $1.962 billion, according to the Bankers Association of the Philippines (BAP). Ruben Carlo O. Asuncion, chief economist at Union Bank of the Philippines (UnionBank), said the peso's continued weakness was driven by a stronger US dollar, higher US Treasury yields, rising expectations of an interest rate hike in the US, and resurging oil prices amid re-escalating tensions in the Middle East.
https://mb.com.ph/2026/09/01/peso-sinks-to-fresh-record-low-6241-as-global-risks-fuel-calls-for-clearer-bsp-guidance

- **Short-term yields jump on US-Iran fears.** The Government made a partial award of the short-term debt it offered on Tuesday as yields climbed due to a global bond sell-off after the United States and Iran exchanged attacks again, reigniting inflation fears. The Bureau of the Treasury (BTr) raised a combined P49.582 billion from its offering of cash management bills (CMBs) and Treasury bills (T-bills), short of the P55-billion target despite total tenders totaling P79.954 billion. This was lower than the P122.542 billion in bids seen last week for the P60 billion auctioned off. The BTr said it made a partial award of both the 35-day CMBs and 91-day T-bills to cap the rise in yields. Broken down, the Treasury borrowed only P8.252 billion via the 35-day cash management bills, below the P10-billion program, even as demand for the offering reached P10.852 billion. The one-month bill fetched an average rate of 5.036%, surging by 21.3 basis points (bps) from the 4.823% seen last week. Bid yields were from 4.9% to 5.05%. Meanwhile, the government raised a combined P41.33 billion from the T-bills, below the P45-billion target, despite tenders reaching P65.102 billion. For the 91-day T-bills, the Treasury borrowed just P16.33 billion, short of the P20-billion program even as bids for the tenor reached P21.803 billion. The three-month paper fetched an average rate of 5.138%, up by 8.7 bps from 5.051% last week. Tenders accepted had yields from 5.04% to 5.2%. For the 182-day papers, the government raised P15 billion as planned as tenders hit P27.749 billion. The average yield on the six-month T-bill was at 5.517%, rising by 8.4 bps from 5.433% previously. Bid rates awarded were from 5.45% to 5.585%.
https://bworldonline.com/banking-finance/2026/09/02/773878/short-term-yields-jump-on-us-iran-fears/

- **Philippine economy could grow past 4% in fourth quarter.** After a weak first half and a potentially sluggish third quarter, Philippine economic growth could recover to more than 4 percent in the last three months of the year amid a massive catch-up in infrastructure spending. This is according to economists at the University of Asia and the Pacific (UA&P), who said they expect third-quarter growth to remain tepid at around 2.3 percent. Still, they said some "green shoots" have begun to emerge. "Short-term pressures from oil volatility and trade deficits may push the peso toward P63/$1, yet a massive infrastructure surge and solid fundamentals will propel economic growth past 4 percent in the fourth quarter," UA&P said in its latest report. "Historic June milestones, including record employment of 50.7 million, an export surge to $8.8 billion, and peak OFW remittances of $3.4 billion, generate strong momentum," it added. "This solid baseline helps the economy absorb the temporary third-quarter slowdown that August floodings and spending delays created." If realized, the forecast would fall within the Marcos administration's revised growth target of 3.5 percent to 4.5 percent for 2026.
https://business.inquirer.net/608753/philippine-economy-could-grow-past-4-in-fourth-quarter

- **Foreign debt service burden climbs to $6.21 billion at end-May on higher principal payments.** The Philippines' external debt service burden (DSB) increased by 4.8 percent to $6.21 billion in the first five months of 2026 from $5.93 billion in the same period in 2025 on the back of scheduled repayments. The latest Bangko Sentral ng Pilipinas (BSP) data showed that the increase in the country's servicing of its foreign debt was fueled by a rise in principal payments, which offset a marginal decline in interest payments (IPs). An increasing external DSB indicates that a larger portion of the country's financial resources is being used to pay off foreign obligations. Amortization, or principal payments, rose by 13.6 percent to $3.01 billion during the five-month period from $2.65 billion last year. Meanwhile, IPs edged down by 2.3 percent to $3.2 billion from $3.28 billion a year ago. SM Investment Corp. (SMIC) group economist Robert Dan Roces said the rising debt service largely reflects "scheduled repayments, not financial stress."
https://mb.com.ph/2026/09/01/foreign-debt-service-burden-climbs-to-621-billion-at-end-may-on-higher-principal-payments

- **Pantheon says BSP tightening cycle likely over as inflation to further ease.** United Kingdom based think tank Pantheon Macroeconomics sees the Bangko Sentral ng Pilipinas (BSP) holding off on any further monetary policy tightening as it expects inflation to undershoot the central bank's revised forecasts. Following its August policy review, the central bank revised its full-year inflation estimates to 6.1% from 6.4% for 2026, 5.4% from 4.5% for 2027, and 3.3% from 3.1% for 2028. "These all seem overly pessimistic to us, particularly next year's projection, which undoubtedly will be dragged down massively by base effects," Mr. Chanco and Ms. Gupta said in a note on Tuesday. They noted that inflation will likely ease for a fourth straight month in August, with their forecast matching market consensus at 6%. "Inflation likely cooled further in August, to 6% from 6.2% in July, albeit thanks mainly to favorable food base effects," Mr. Chanco and Ms. Gupta said. "A slight re-acceleration in the transport lift, by 0.1 ppt (percentage point), should prevent a more noticeable headline drop," they added. A BusinessWorld poll of 20 analysts conducted last week yielded a median estimate of 6% for the August headline print, easing from 6.2% in July but accelerating from 1.5% a year ago. If realized, inflation would hit its slowest pace in four months or since the 4.1% in March. However, it also means that inflation would breach the central bank's 3% target for six months in a row, bringing the eight-month average clip to 5.1%. The Philippine Statistics Authority is scheduled to release the August inflation report on Friday (Sept. 4).
https://bworldonline.com/top-stories/2026/09/02/773887/pantheon-says-bsp-tightening-cycle-likely-over-as-inflation-to-further-ease/

- ✓ **Poverty measures need updating, broader data, PIDS researchers say.** Poverty statistics should go beyond a single monetary threshold and better account for changing living standards, vulnerability and households moving in and out of poverty, Philippine development researchers said at a De La Salle University-Angelo King Institute for Economic and Business Studies (DLSU-AKI) seminar on Tuesday. Professional statistician and senior research fellow at the Philippine Institute for Development Studies (PIDS) Jose Ramon G. Albert said poverty figures are not automatic facts because they depend on definitions, data sources and technical choices, including the welfare indicator and poverty line used. "Change any of those choices and the numbers will change," Mr. Albert said, emphasizing the need for greater data literacy when interpreting poverty statistics. His remarks were echoed by former PIDS president and emeritus research fellow Celia M. Reyes who said the Philippines should consider adopting additional poverty measures based on higher standards while retaining the existing absolute poverty measure to continue identifying people at the bottom of the income distribution. Ms. Reyes, who also chairs the Technical Committee on Poverty Statistics, said the current methodology uses a least-cost menu designed to meet minimum dietary requirements.
https://bworldonline.com/the-nation/2026/09/01/773763/poverty-measures-need-updating-broader-data-pids-researchers-say/

- ✓ **BSP warned vs premature monetary easing.** The Bangko Sentral ng Pilipinas (BSP) should remain committed to taming inflation and must resist calls to prematurely end its interest rate-hiking cycle for the sake of the struggling economy, New York-based think tank GlobalSource Partners said. It added that markets are looking for "stronger forward guidance" from policymakers. In a commentary, Diwa Guinigundo, analyst at GlobalSource, said the peso's slide to the 62-per-dollar level despite the central bank's recent quarter-point rate hike could indicate that "the market did not seem fully convinced that the BSP had signaled an unambiguous commitment to staying on top of inflation." Guinigundo, a former central bank deputy governor, said the real interest rates—or the actual cost of financing after factoring in inflation—remain negative despite the BSP's tightening actions that have lifted its key rate to 5 percent, as inflation remained above 6 percent as of July. This, he said, raises the question of whether the BSP has done enough to fight inflation. "The issue is not simply whether the BSP should raise, hold or eventually cut its policy rate," Guinigundo said. "The more fundamental question is whether monetary policy is sufficiently restrictive in real terms to bring inflation back to target and keep expectations firmly anchored."
https://business.inquirer.net/608756/bsp-warned-vs-premature-monetary-easing

- ✓ **Gov't urged to ensure productive investments in education, health.** Investments in education and health are vital to supporting economic expansion, but their impact could be limited if funds are not put to productive use, the Philippine Institute for Development Studies (PIDS) said. "Our economy is growing, but the continued growth and expansion of the Philippines is anchored in the quality of our education and our health for our countrymen," PIDS Senior Research Fellow John Paolo R. Rivera said at the 2026 Development Policy Research Month (DPRM) Kick-off Press Conference on Tuesday. "This is also why education and health belong in the economic conversation. And it is because health and education shape the productive capacity of our country," he added. Mr. Rivera said the issue is not simply how much the government allocates to these sectors, but whether the spending translates into lasting improvements in human capital and productivity.
https://bworldonline.com/economy/2026/09/01/773917/govt-urged-to-ensure-productive-investments-in-education-health/

- ✓ **GSIS returns P19B in loan payments as of end-August.** The Government Service Insurance System (GSIS) has refunded P19 billion in loan payments to more than 700,000 members as of end-August, putting it on track to breach the P20-billion mark ahead of the program's deadline next month. In a statement on Tuesday, GSIS said the refunds under the Balik Ginhawa programs covered nearly 1.3 million loan contracts. The initiative released P19 billion in total, with P8.9 billion from Balik Ginhawa 1 and P10.1 billion from Balik Ginhawa 2. The latest figure came nearly a month after GSIS said it had returned more than P18 billion in loan amortizations to qualified members and pensioners under the two programs. GSIS first launched the program in April covering December 2025 to February 2026 payments, then expanded it in July to include March to May 2026. The program allows qualified members and pensioners to receive refunds for up to six months of eligible loan amortizations.
https://business.inquirer.net/608700/gsis-collects-p19b-in-loan-payments-as-of-end-august

- ✓ **SSS looks to grow investment income to P71B by yearend.** This will come from total investments estimated at P1.44 trillion by yearend with an expected return on investment (RoI) of 6.11%. At end-June, SSS' investment income was at P21.157 billion from an actual investment level of P1.27 trillion and return on investment of 4.53%. "I think the key message here is we're balancing the security of our members with the need to increase returns. It's a tricky balancing act. You don't want to be too conservative because then you don't generate the income necessary to pay for pension. At the same time, you need to get a little more aggressive," SSS Commissioner Victor Alfonso A. Limlingan said at a briefing on Tuesday. About half of the SSS' investment placements are in government securities, which they view as "stable and secure," he said. The state pension fund expects to have an investment level of P724.11 billion in government securities by yearend, with expected earnings of P34.748 billion and an RoI of 6.39%. This would be up from the end-June placements worth P629.05 billion with an actual income of P16.045 billion and return on investment of 5.43%. The rest of SSS' investments are in corporate notes and bonds, equities, mutual funds, and externally managed funds. It will also set aside P15 billion for its planned foreign investments by the end of this year.
https://bworldonline.com/banking-finance/2026/09/02/773810/sss-looks-to-grow-investment-income-to-p71b-by-year-end/

- ✓ **DA expects rice imports to reach up to 5 million MT in 2026.** Department of Agriculture (DA) DA Secretary Francisco Tiu Laurel Jr. projected rice imports will reach up to 5 million metric tons (MT) in 2026, due to El Niño. But importation may lessen in 2027, down to 3.8 million MT of rice, according to Tiu Laurel. "Sa 2026, technically, normally, we'd need only 3.8 to 4 million tons. 'Yan 'yung ating need. But since we are facing El Niño, we are projecting that we might need to import up to 5 million tons for this year," Tiu Laurel said on Monday at the House Committee on Appropriations meeting on the proposed 2027 budget of the DA. "For next year naman, malamang babalik tayo sa 3.8 kasi nga parang we are already front-loading what we need for the first quarter of 2027. And we need to maintain more than 60 days buffer dahil nga sa– iba-iba talaga 'yung klima ngayon," Tiu Laurel added.
https://www.abs-cbn.com/news/business/2026/9/1/da-expects-rice-imports-to-reach-up-to-5-million-mt-in-2026-1717

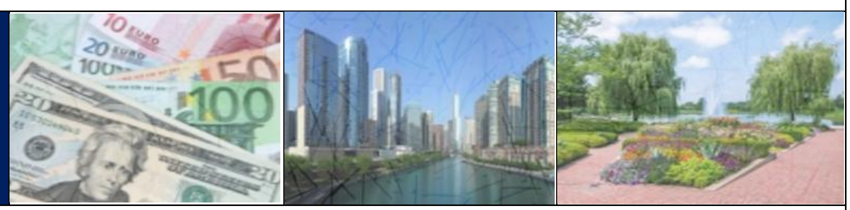
- ✓ **Philippines' August manufacturing PMI highest since 2016.** Philippine manufacturing activity continued to expand in August, hitting a near 10-year high, amid increased output and new export orders, S&P Global said. The S&P Global Philippines Manufacturing Purchasing Managers' Index (PMI) rose to 54.9 in August from 51.8 in July, marking the fourth straight month of expansion. This was the strongest improvement since December 2016's 55.7. A PMI reading below 50 shows a deterioration in operating conditions from the previous month, while a reading above 50 signals an improvement. "The latest reading signalled a notable acceleration in growth from July, with the health of the sector improving to its greatest extent since December 2016," S&P Global said on Tuesday. S&P Global said growth in new orders accelerated to its fastest pace in six months in August, backed by new product and model launches, higher repeat business, and a broader customer base. "Goods producers that forecasted an expansion in output in the year ahead cited expansion plans, the introduction of new product lines, and expectations of stronger inflows of new work and new customer wins," S&P Global said.
https://bworldonline.com/top-stories/2026/09/01/773750/philippines-august-manufacturing-pmi-highest-since-2016/

- ✓ **PNB Holdings profit soars 85% ahead of listing.** PNB Holdings Corp. saw its first-half profit surge by 85.3 percent as higher revenues from its property portfolio boosted its earnings ahead of a planned stock market listing. PNB Financial Center and PNB Makati Center remained the biggest revenue contributors, accounting for 67 percent and 26 percent of the total, respectively. Gross profit likewise jumped by 58.5 percent to P326.9 million, while earnings before interest, taxes, depreciation and amortization grew by 40.3 percent to P336.5 million. “We are encouraged by our first-half results as they demonstrate a growing and resilient revenue base, stronger profitability, and robust liquidity,” said Ponciano S. Carreon Jr., chief financial officer of PNB Holdings. The LT Group’s property company reported a net income of P209.9 million in H1 2026, with revenue up 26% to P634.3 million from P502.7 million the previous year.
https://business.inquirer.net/608641/pnb-holdings-profit-soars-85-ahead-of-listing

- ✓ **Meralco advances nuclear plans with $2.8-million US-backed study.** Manuel V. Pangilinan-led Manila Electric Co. (Meralco) and its power generation arm, Meralco PowerGen Corp. (MGEN), have tapped United States (US)-based engineering firm Sargent & Lundy and local partner AMH Philippines Inc. (AMH) to assess the viability of deploying small modular reactors (SMRs) in the country as nuclear energy enters its pre-development phase. In a statement on Tuesday, Sept. 1, MGEN said the partnership is part of the $2.8-million technical assistance (TA) program funded by the US Trade and Development Agency (USTDA), which was formally announced in February 2026. The study aims to provide One Meralco with a data-driven basis to determine the feasibility, timing, and integration strategy for incorporating SMRs into the nation’s future energy mix. A dedicated SMR working group has been established within One Meralco to lead the initiative alongside Sargent & Lundy and AMH, with target completion set for the fourth quarter of 2027.
https://mb.com.ph/2026/09/01/meralco-advances-nuclear-plans-with-28-million-us-backed-study

- ✓ **Market cheers Jollibee's choice of Hong Kong over US for international business listing.** Jollibee Foods Corp. (JFC), one of the largest food service companies in Asia, has opted to list its international business in Hong Kong instead of a United States (US) bourse as originally planned, as it expects to get a better valuation from a regional exchange. “The company is contemplating a proposed separate listing of the shares of JFC International (JFCI) on the main board of The Stock Exchange of Hong Kong Ltd. (HKEX),” the firm said in a disclosure to the Philippine Stock Exchange (PSE) on Tuesday, Sept. 1. “Since the announcement on Jan. 6, 2026 to list our international business, we have been doing the detailed work required to establish two strong, independent companies,” said JFC Chairman Tony Tan Caktiong. He noted that “That work has reinforced our conviction in the listing and has led us to conclude that Hong Kong is the market best aligned with JFCI’s business, geographic footprint, and long-term ambitions.” JFC said the decision reflects the continued development of the proposed transaction and its assessment of the listing venue best suited to JFCI’s business, geographic footprint, and investment profile. “The company believes Hong Kong offers the market environment and investor relevance to support JFCI’s long-term ambitions and is best positioned to recognize the value of its distinctive business profile and growth potential,” it explained. The firm noted that “Hong Kong represents a natural market for JFCI given the depth of JFCI’s existing presence and brand recognition across Asia, where many of its brands already have strong consumer awareness and market relevance.”
https://mb.com.ph/2026/09/01/market-cheers-jollibees-choice-of-hong-kong-over-us-for-international-business-listing

REST OF THE WORLD



- ✓ **Asia stocks edge lower as South Korea, Japan benchmarks decline.** Asian stocks edged lower as renewed geopolitical tensions pushed oil prices higher, reviving inflation concerns and expectations for further monetary tightening. The MSCI Asia Pacific Index slipped 0.2 per cent, with equity benchmarks in South Korea and Japan declining. Among the main moves across markets, the S&P 500 futures were little changed as at 9.04 am Tokyo time. Hang Seng futures fell 0.4 per cent, Japan’s Topix dropped 0.3 per cent and Australia’s S&P/ASX 200 declined 0.4 per cent. The S&P 500 Index fell 0.3 per cent on Monday, while a gauge of US chip stocks advanced. The tech sector remained in focus after Nvidia said it is investing US$3.5 billion in MediaTek, deepening its collaboration with the Taiwanese chipmaker. Elsewhere, Brent crude extended gains in early Asian trading to over US$91 a barrel after renewed fighting in the Middle East. The US and Iran exchanged strikes for the first time in about a month as American forces hit an island in the Strait of Hormuz and the Islamic Republic responded by launching attacks on the United Arab Emirates and Jordan.
https://www.businesstimes.com.sg/companies-markets/capital-markets-currencies/asia-stocks-edge-lower-south-korea-japan-benchmarks-decline

- ✓ **Europe’s Stoxx 600 hits one-month low as inflation, rising yields pressure markets.** European shares fell on Tuesday (Sep 1), pressured by a fresh rise in government bond yields, while euro zone inflation data reinforced expectations that the European Central Bank will raise interest rates next week. The pan-European Stoxx 600 slipped 0.6 per cent to a more than one-month low of 647.08. Britain’s FTSE 100 eased 0.3 per cent as trading resumed after Monday’s public holiday, while Germany’s DAX slipped 1.1 per cent and France’s CAC 40 fell 0.4 per cent. Euro zone government bond yields climbed to fresh multi-year highs as Europe joined a global bond selloff and data showed inflation rose above 3 per cent in August, driven by higher energy costs. That strengthened expectations the European Central Bank will raise interest rates next week. Traders expect a 25-basis-point rate hike, LSEG data showed. Germany’s 30-year government bond yield earlier hit a 15-year high, while France’s 30-year yield climbed to its highest level since 2008.
http://businesstimes.com.sg/companies-markets/capital-markets-currencies/europes-stoxx-600-hits-one-month-low-inflation-rising-yields-pressure-markets

- ✓ **US stocks: Wall Street ends lower due to higher yields, rising oil prices.** US stocks extended their slide on Tuesday (Sep 1), as the global bond selloff deepened and crude prices spiked amid fading hopes for a near-term solution to the US-Israeli war with Iran. All three major US stock indexes began the month on a sour note, closing decisively lower as rising hostilities in the Middle East drove up oil prices. Global sovereign debt yields rose to multiyear highs as markets increased their bets that central banks will need to hasten their interest rate hikes. The Dow Jones Industrial Average fell 418.97 points, or 0.79 per cent, to 52,766.93, the S&P 500 lost 54.67 points, or 0.71 per cent, to 7,631.47 and the Nasdaq Composite dropped 271.11 points, or 1.03 per cent, to 26,099.77. Of the 11 major sectors in the S&P 500,

energy led the gainers with a boost from crude prices. Consumer discretionary suffered the largest percentage loss. The Dow Jones Transportation Average, widely viewed as a barometer of economic health, was among the session's biggest laggards, sliding 2.5 per cent. The Philadelphia SE Semiconductor Index dipped 2.1 per cent, with every single constituent of the index losing ground on the day. Declining issues outnumbered advancers by a 2.8-to-1 ratio on the NYSE. There were 143 new highs and 410 new lows on the NYSE. On the Nasdaq, 1,258 stocks rose and 3,523 fell as declining issues outnumbered advancers by a 2.8-to-1 ratio.
https://www.businesstimes.com.sg/companies-markets/capital-markets-currencies/us-stocks-wall-street-ends-lower-due-higher-yields-rising-oil-prices

- ✓ **Brent Rises on Escalating Middle East Tensions.** Brent rose about 5% to near $95 a barrel on Tuesday, the highest since late July, after the US military launched new strikes against Iranian targets around the Strait of Hormuz following attacks on two oil tankers in the critical shipping route. US President Donald Trump also threatened a significantly larger response if Tehran retaliates. A senior Iranian military source said Tehran's response would be "many times greater," warning that bases across the region could quickly come under Iranian fire. The escalation threatens to prolong the conflict and further disrupt crude exports from the region.
https://tradingeconomics.com/commodity/brent-crude-oil/news/580167

- ✓ **Gold Slides as Higher Treasury Yields Boost Rate-Hike Bets.** Gold prices fell more than 1.5% to around $4,365 an ounce on Tuesday, their lowest level since August 19, as elevated US Treasury yields weighed on the non-yielding asset. Investors are also awaiting key US labour-market data for fresh clues on the Federal Reserve's monetary policy outlook. US Treasury yields climbed to their highest level since January 2025 as rising Middle East tensions stoked inflation concerns, strengthening expectations for a near-term Fed rate hike. Last week, Fed Chair Kevin Warsh said at the Jackson Hole symposium that the central bank would "have work to do" if policymakers were not confident inflation was returning to its 2% target. Markets are currently pricing a 66% probability of a rate hike later this month, according to the CME FedWatch Tool.
https://tradingeconomics.com/commodity/gold/news/580045

- ✓ **Japan's benchmark bond yield rises to 3% for first time in 30 years.** Japan's benchmark 10-year bond yield hit 3 per cent on Tuesday for the first time since September 1996, pushed higher by investor concerns about inflation, fiscal health and mounting pressure on the central bank to raise interest rates faster. With the Middle East crisis stoking inflation fears globally and pressure on the Bank of Japan to accelerate rate hikes, yields have jumped to historic levels across the Japanese government bond curve. That has accelerated in recent days with domestic media reporting Japan's ministries and agencies likely made the largest initial budget request on record for next fiscal year. The spike in the 10-year yield came amid a deepening global debt selloff of bonds on Tuesday as traders fret about oil-driven inflation, monetary tightening and worsening fiscal conditions around the world. The 10-year JGB yield, used as a benchmark for Japanese mortgages and corporate borrowing, has more than tripled in two years. On the shorter end, the 5-year rate touched a record 2.265 per cent, and the 2-year yield reached a 31-year peak of 1.81 per cent as markets priced in a near certainty the BOJ will raise interest rates at its meeting this month. Yields rise when bond prices fall.
https://www.channelnewsasia.com/business/japans-benchmark-bond-yield-rises-3-first-time-in-30-years-6354176

- ✓ **India's economy expands 7.8% in fiscal first quarter, beating estimates.** India's economy grew by 7.8% in the quarter to the end of June, mainly driven by strong performance of the financial, real estate, information technology and professional services sectors. The reading is comfortably above a Reuters poll of expectations for 7.1% growth and follows 7.8% growth in the previous quarter While agriculture and allied sectors reported tepid growth, the performance of manufacturing and services sectors sharply improved in the June quarter, India's Ministry of Statistics and Program Implementation said in a release on Monday. The Iran war has not impacted India's growth as feared, Aastha Gudwani, India chief economist at Barclays, told CNBC's Inside India earlier. Of the 20 high-frequency indicators tracked by Barclays, only seven put the April-to-June quarter average growth rate slower than the Jan-March quarter, she explained, adding that consumer demand has stayed "robust." Manufacturing and service sectors, automobile sales and loan growth are also holding up really well, she added. Earlier in the month, India's central bank warned that even as the country's economy had remained "resilient" amid geopolitical uncertainty, growth was expected to slow over this financial year. The Reserve Bank of India had estimated that India's economy would grow by 7.0% in the three months ending June and 6.7% during the financial year ending March 2027.
https://www.cnbc.com/2026/08/31/india-economy-gdp-energy-el-nino.html

- ✓ **South Korea proposes record US$597 billion 2027 Budget to supercharge AI investment.** South Korea on Tuesday (Sep 1) unveiled its most aggressive fiscal spending plan on record, setting total government expenditure for 2027 at 821 trillion won (US$596.9 billion) to strengthen the country's technological edge amid the global AI race. In its annual Budget proposal, the budget ministry said the spending plan represented a 12.8 per cent rise from 2026, marking the largest year-on-year increase on record. The proposal signals a shift in Asia's fourth-largest economy under President Lee Jae-myung, who has championed an expansionary fiscal policy since taking office in June 2025, pivoting away from three years of fiscal austerity under his predecessor. Total tax revenue is seen increasing 40.7 per cent in 2027 to 584.4 trillion won, with corporate tax receipts alone projected to more than double to 216.7 trillion won.
https://www.businesstimes.com.sg/international/south-korea-proposes-record-us597-billion-2027-budget-supercharge-ai-investment

- ✓ **Euro zone inflation is back above 3%.** Higher interest rates are likely to follow. Energy price pressures drove inflation in the euro zone back above 3% in August, with hard-hit businesses now likely facing a second blow from higher interest rates. Headline inflation in the euro area — a net importer of energy — rose to 3.3% from 2.9% in July, the highest level since September 2024, according to a flash estimate published by statistics office Eurostat on Tuesday. Energy inflation accelerated to 14.3% from 10.3%. But core inflation, which excludes the volatile components of energy, food, alcohol and tobacco, dipped to 2.4% from 2.5%. The Iran war and blockage of the Strait of Hormuz have ramped up the cost of crude oil and refined products, while Europe has been especially impacted by disruption in the natural gas market. Traders locked in their expectations for the European Central Bank to hike interest rates at its Sept. 10 meeting, with market pricing on Tuesday morning putting a 98.9% probability on a 25 basis point increase to 2.5%, according to LSEG data. The ECB raised its key rate to 2.25% in June, the first hike since 2023, in response to global inflationary pressures resulting from the Iran conflict. The central bank will be wary that short-term inflation pressures become structural, feeding into wages and services inflation, Joe Nellis, head of economic research at MHA, said in emailed comments.
https://www.cnbc.com/2026/09/01/euro-zone-inflation-rate-hike.html

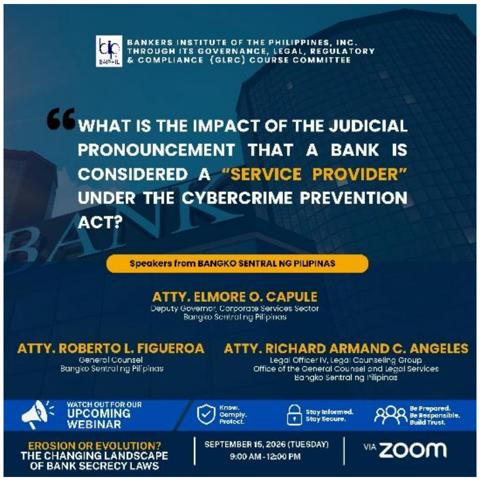
- ✓ **Eurozone Jobless Rate Above Forecasts at 6.4%.** The Eurozone's seasonally adjusted unemployment rate held at 6.4% in July, matching June's revised reading and slightly above the 6.3% forecast. The number of unemployed was unchanged from June at 11.264 million. Meanwhile, youth unemployment stood edged down to near one-year low of 14.9% from 15% in the prior month, with 2.371 million young people under 25 unemployed. Among the major economies in the bloc, Spain (10%), France (8.3%), and Italy (7.8%) recorded the highest rates, whereas Germany (4%) and the Netherlands (4%) posted the lowest rates. A year ago, the jobless rate was slightly lower at 6.3%.

- ✓ **Bank of England chief warns new AI models threaten global financial stability.** The growing threat posed by advanced artificial intelligence models could trigger a disorderly correction in global financial markets, according to Bank of England Governor Andrew Bailey. In a two-page letter published Monday to G20 finance ministers and central bank governors, Bailey said the emergence of so-called frontier AI models is showing “increasingly sophisticated autonomy and problem-solving abilities, as well as threat capabilities.” Writing in his capacity as chair of the Financial Stability Board, an international body that coordinates policy and makes recommendations to national authorities, Bailey identified the potential impact of frontier AI — which refers to the most advanced AI models — on cyber risk as “the most immediate concern” for the financial system. “Frontier AI may have the ability materially to alter the speed, scale and economics of cyber risk, which could undermine market confidence system-wide, especially due to highly concentrated third-party service providers,” Bailey said. “Recent developments have also highlighted to me that many jurisdictions do not have the protocols in place to manage the development, release, and deployment of advanced frontier AI models, heightening risks for the financial sector and beyond,” he added.
https://www.cnbc.com/2026/08/31/bailey-frontier-ai-financial-stability-risk.html

- ✓ **Carney's Liberals sweep Canada by-elections as US trade war rages.** Canadian Prime Minister Mark Carney's party swept to victory in special elections on Monday (Aug 31), boosting the leader's parliamentary majority as a trade war with the United States escalates. Carney's Liberal Party secured three seats, taking the district of Chicoutimi-Le Fjord in French-speaking Quebec from the opposition Conservatives, and two other districts in Ontario and British Columbia that were previously held by the Liberals. Carney congratulated the winning candidates in a post on X, saying that voters had "placed their trust" in the government "at this consequential time for Canada." "Canada is being tested in a changing world, and Canadians are up for it," he wrote. Relations between former close allies the United States and Canada have soured after trade talks collapsed last month, with Carney saying US negotiators sought restrictions on his country's trade pacts with other nations. US officials made unacceptable "threats" to the French language and "Quebec culture" too, he added. After Washington slapped Canada with 50-per cent duties, Ottawa announced counter-tariffs of its own.
https://www.channelnewsasia.com/world/carneys-liberals-sweep-canada-elections-us-trade-war-rages-6353906’

- ✓ **Dell surges 9% after lifting fiscal 2027 forecast on AI server strength.** Dell Technologies shares moved 9% higher in extended trading on Tuesday after the computer maker reported results and a forecast that easily cleared Wall Street expectations. Revenue came in higher than every estimate, growing about 58% year over year for the fiscal second quarter, which ended on July 31, according to a statement. Net income of $4.13 billion, or $6.34 per share, increased from $1.16 billion, or $1.70 per share, in the same quarter a year ago. Adjusted earnings exclude impact from stock-based compensation. For the fiscal third quarter, Dell called for $6.50 in adjusted earnings per share on $49.0 billion in revenue, which implies 81% growth. Analysts polled by LSEG had anticipated $4.49 per share and $41.42 billion in revenue. Dell ratcheted up its full-year view. The company now sees $25.50 in adjusted earnings per share on $192 billion in revenue. Analysts surveyed by LSEG were expecting $18.92 per share and $172.67 billion in revenue. As of May, the company’s 2027 guidance included $17.90 in adjusted earnings per share, with $165 billion to $169 billion in revenue.
https://www.cnbc.com/2026/09/01/dell-q2-earnings-report-2027.html?&qsearchterm=world

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

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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 Security Course (ITSEC) Committee	Cloud Security	September 7, 2026	PROGRAM DETAILS	REGISTER HERE
	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 3, 2026	PROGRAM DETAILS	REGISTER HERE
	Crash Course in Financial Instruments Part 1: Accounting & Financial Reporting	September 4, 2026	PROGRAM DETAILS	REGISTER HERE
	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
	Third Currencies Counterfeit Detection	September 24, 2026	PROGRAM DETAILS	REGISTER HERE
	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	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

FOOD FOR thought

“Success is walking from failure to failure with no loss of enthusiasm.”

Sir Winston Churchill

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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

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- *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/*
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