

BAIPHIL MARKET WATCH

Philippine & Global
Financial Markets



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Corporate Communications and
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And
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FINANCIAL MARKETS AT GLANCE

Currency Exchange ¹	Current	Previous
USD/PHP	62.5350	62.7750
USD/JPY	157.8400	158.0700
USD/CNY	6.7049	6.7046
EUR/USD	1.1254	1.1242
GBP/USD	1.3241	1.3194

PHP BVAL Reference Rates ²	Current	Previous
30-Day	5.1545	5.1681
91-Day	5.5212	5.4992
180-Day	5.8248	5.7943
1-Year	6.1570	6.1350
3-Year	7.0691	7.0468
5-Year	7.4228	7.4218
10-Year	7.6582	7.6099

Domestic Stock Index ³	Current	Previous
PSEI	5,629.03	5,629.47
Trade Value (Php B)	8.175	7.543

Stock Index ⁴	Current	Previous
NIKKEI 225	68,309.46	68,956.72
FTSE 100	10,461.95	10,428.27
DOW JONES	51,176.96	50,926.56
S&P 500	7,722.72	7,666.45
NASDAQ	27,190.86	26,871.60

Various ^{5/6}	Current	Previous
Brent Crude (USD/bbl)	102.45	102.31
3-M US Treasury Yield	4.19%	4.17%
5-Y US Treasury Yield	5.06%	5.01%
10-Y US Treasury Yield	5.28%	5.24%

Legend

Improvement / Up Deterioration / Down No Movement

PHILIPPINES

• PSEI slips for 5th straight day on economic woes

Local stocks edged lower on Friday, extending their losing streak to five sessions as high oil prices, elevated Treasury yields, and a weak peso weighed on investor sentiment. The benchmark Philippine Stock Exchange Index (PSEI) slipped 0.01 percent, or 0.44 point, to close at 5,629.03. Philstocks Financial Inc. said the contraction in the country's manufacturing sector, reflected in the S&P Global Philippines Manufacturing PMI for September, added to market pessimism. Investors also remained cautious ahead of next week's inflation data release, the brokerage said. Luis Limlingan, head of sales at Regina Capital Development Corp., said the local index ended lower as selling pressure persisted, despite some bargain hunting toward the close that was not enough to lift the index. "Intraday, the market breached the 5,500 level as investors remained cautious amid the continuing conflict in Iran," Limlingan said. "Market sentiment was further weighed by a DBS Bank report projecting the peso could breach P64 to the US dollar in the fourth quarter of 2027," he added.

<https://business.inquirer.net/613895/psei-slips-for-5th-straight-day-on-economic-woes>

• Peso may move sideways on war risks, US rate bets

On Friday, the local unit jumped by 24 centavos to close at P62.535 per dollar from P62.775 on Thursday, data from the Bankers Association of the Philippines' website showed. However, week on week, the peso declined by seven centavos from its P62.465 finish on Sept. 25. "The dollar-peso closed lower, mostly on profit taking ahead of key US jobs NFP (nonfarm payrolls) to be released tonight. Players trimmed down positions on lower expectations," a trader said by phone on Friday. The peso was also supported by dovish signals from the US Federal Reserve and signs of increased oil shipments from the Middle East, Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message. For this week, the trader said the peso's movement will depend on Middle East developments over the weekend, as well as the US NFP report, which came out lower than expected, dragging the greenback. Mr. Ricafort said other trading drivers are September Philippine inflation data and minutes of the Fed's last policy meeting that will come out this week. The trader sees the peso ranging from P62.30 to P62.80 against the dollar this week, while Mr. Ricafort expects it to move between P62.30 and P62.70.

<https://bworldonline.com/banking-finance/2026/10/04/784185/peso-may-move-sideways-on-war-risks-us-rate-bets/>

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PHILIPPINES

• Rates of short-term bills likely to edge higher before CPI data

Rates of the short-term debt on offer this week are expected to climb as headline inflation likely picked up again in September. The Bureau of the Treasury (BTr) will auction off a combined P52 billion in short-term securities on Monday. Broken down, it will offer P10 billion in 35-day cash management bills (CMBs). Meanwhile, for Treasury bills (T-bills), it will auction off P20 billion in 91-day papers, P15 billion in 182-day securities, and P7 billion in 364-day debt. Yields on the short-tenored papers could rise to mirror the broad week-on-week increase in comparable secondary market rates in anticipation of the release of September Philippine inflation data, Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message. "Expect yields to trade sideways, with the local CPI (consumer price index) to be the main catalyst this week," a trader likewise said in an e-mail. At the secondary market on Friday, yields on the 91-, 182-, and 364-day T-bills rose by 10.36 basis points (bps), 4.37 bps, and 17.88 bps week on week to close at 5.5212%, 5.8248%, and 6.157%, respectively, according to the PHP Bloomberg Valuation Service Reference Rates published on the Philippine Dealing System website. Meanwhile, the 35-day bills inched down by 0.7 bp to end at 5.1545%. The Philippine Statistics Authority is scheduled to release September inflation data on Tuesday, Oct. 6.

<https://bworldonline.com/banking-finance/2026/10/04/784186/rates-of-short-term-bills-likely-to-edge-higher-before-cpi-data/>

• Yields on gov't debt mixed on growing inflation risks

Yields on government securities (GS) traded in the secondary market were mixed last week, with those at the short end and the belly going up due to heightened inflation concerns that could lead to tighter monetary policy. GS yields, which move opposite to prices, edged down by an average of 0.86 basis point (bp) week on week, based on the PHP Bloomberg Valuation Service Reference Rates as of Oct. 2 published on the Philippine Dealing System's website. Debt papers at the short end and the belly all fetched higher yields. The 91-day Treasury bill (T-bill) rose by 10.36 bps week on week to yield 5.212%, the 182-day paper gained 4.37 bps to 5.8248%, and the 364-day debt went up by 17.88 bps to 6.157%. At the belly, yields on the two-, three-, four-, five-, and seven-year Treasury bonds (T-bonds) went up by 13.66 bps (to 6.7984%), 7.28 bps (7.0691%), 4.13 bps (7.2809%), 4.64 bps (7.4228%), and 2.23 bps (7.5632%), respectively. Meanwhile, rates at the long end were lower week on week. The 10-, 20-, and 25-year debt dropped by 4.75 bps (to 7.6582%), 34.45 bps (7.505%), and 34.83 bps (7.4965%), respectively. GS volume reached P24.17 billion as of Oct. 2, higher than the P13.54 billion recorded a week earlier. "The yield curve suggests that markets remain focused on near-term inflation and policy risks," Ruben Carlo O. Asuncion, chief economist at Union Bank of the Philippines, said in an e-mail.

<https://bworldonline.com/banking-finance/2026/10/04/784183/yields-on-govt-debt-mixed-on-growing-inflation-risks/>

• BSP securities fetch lower yield on strong demand

The Bangko Sentral ng Pilipinas' (BSP) short-term securities attracted a slightly lower average yield on Friday as demand for the papers remained strong. Bids for the 28-day BSP bills stood at P28.19 billion, exceeding the P20 billion placed on the auction block but a tad below the P28.415 billion in tenders fetched for the same offer volume in the prior week. "The 28-day BSP bill (BSPB) rate decreased," the central bank said in a statement. "The BSP maintained the offer volume to P20 billion. Total tenders reached P28.2 billion, resulting in a bid-to-cover ratio of (1.4095 times)." The ratio seen on Friday was a tad lower than the 1.4208 logged a week earlier. As a result, the central bank fully awarded its offering amid the oversubscription. Accepted rates for the one-month bills narrowed week on week to the 5% to 5.088% band from 4.98% to 5.09% previously. With this, the weighted average accepted yield of the papers slipped by 0.27 basis point (bp) to 5.0528% from 5.0555% in the previous auction. The central bank uses the BSP securities and its term deposit facility to mop up excess liquidity in the financial system and to help guide short-term market yields towards its policy rate. The BSP bills also contribute to improved price discovery for debt instruments while supporting monetary policy transmission. The central bank began auctioning off short-term securities weekly in 2020, initially offering only a 28-day tenor and adding the 56-day bill in 2023. It has now limited its BSP securities offerings to a single tenor to rationalize its liquidity operations and focus on tenors that would boost monetary policy transmission.

<https://bworldonline.com/banking-finance/2026/10/04/784182/bsp-securities-fetch-lower-yield-on-strong-demand/>

• BSP seen hiking rates more than Fed, supporting the weak peso

Japanese financial giant MUFG Bank Ltd. forecasts the Bangko Sentral ng Pilipinas (BSP) to be more hawkish than the United States Federal Reserve (US Fed), with one hike this October, buoying the peso against the greenback despite its looming dismal performance through the end of 2026. MUFG Global Markets Research Asia said in its fourth-quarter foreign exchange (forex) outlook for Asia that the peso should take some gains from easing oil prices over time and a hawkish central bank. "This is nonetheless dependent on our assumptions on the trade deficit, Fed and US dollar, and domestic inflation trajectory," the research arm said. Still, MUFG said it expects the peso to join the losing bloc in the fourth quarter alongside the Vietnamese dong. The Indonesian rupiah and Thai baht are projected to depreciate by two percent and 1.5 percent, respectively. It cited major threats that could further bruise the local currencies, including renewed oil supply disruptions due to the protracted tensions between the US and Iran. Other risks include "further increases in US yields, weaker global risk sentiment and a sharper slowdown in AI [artificial intelligence] investment." Outperformers, meanwhile, include the Malaysian ringgit, Chinese yuan, and South Korean won, appreciating by 1.3 percent, 0.9 percent, and 0.7 percent, respectively.

<https://mb.com.ph/2026/10/05/bsp-seen-hiking-rates-more-than-fed-supporting-the-weak-peso>

• BSP tipped to end rate hikes in Oct

The Bangko Sentral ng Pilipinas (BSP) may deliver one final rate increase this month, bringing its current tightening cycle to an end, according to London-based Oxford Economics, as policymakers seek to contain persistent inflation despite weakening economic growth. In a country economic forecast dated Sept. 30, Jun Hao Ng, an assistant economist at Oxford Economics, said the BSP may raise its policy rate by a quarter percentage point to 5.25 percent at its Oct. 22 meeting. That would come even as core inflation—which strips out volatile food energy items—has begun to ease and economic growth slowed to 2.3 percent in the second quarter. Oxford Economics raised its forecast for Philippine inflation this year to 5.9 percent from 5.8 percent, putting it well above the BSP's 3 percent target. The firm cited escalating tensions in the Middle East, which have pushed global oil prices higher. The firm also lowered its 2026 growth forecast for the Philippines to 3 percent from 3.2 percent. It expects the economy to expand by 3.1 percent in the third quarter, saying a slump in government investment is unlikely to materially improve until late in the quarter and elevated inflation may keep consumer spending below prewar levels in the near term.

<https://business.inquirer.net/613936/bsp-tipped-to-end-rate-hikes-in-oct>



PHILIPPINES

Philippine banks' bad loan ratio steadies in August

Philippine Banks' gross nonperforming loan (NPL) ratio held steady in August as faster loan growth offset the rise in bad loans, data from the Bangko Sentral ng Pilipinas (BSP) showed. The banking industry's gross NPL ratio stood at 3.35% in August, the same ratio recorded in July but lower than the 3.5% seen in the same month last year. "The banking sector's steady 3.35% NPL ratio in August suggests that asset quality remains broadly stable despite a challenging operating environment," Union Bank of the Philippines (UnionBank) Chief Economist Ruben Carlo O. Asuncion said in a Viber message. He noted that the steady ratio came as the expansion of banks' loan portfolio outpaced the growth of soured loans in August. "While gross bad loans increased by 8.4% year on year, the banking industry's loan portfolio expanded at a faster 13.2% pace, indicating that credit growth continues to outpace the buildup in problem loans," Mr. Asuncion said. The year-on-year decline in banks' NPL ratio likewise reflects "an improvement in asset quality relative to the size of the loan book," the UnionBank economist added. Based on central bank data, the amount of NPLs went up by 1.8% to P596.299 billion in August from P585.738 billion in July. Soured loans also climbed by 8.4% year on year from P550.095 billion. Loans are considered nonperforming once they remain unpaid for at least 90 days after the due date. These are deemed risk assets since borrowers are unlikely to pay. As of end-August, the banking sector had a total loan portfolio of P17.783 trillion, up by 1.63% from P17.497 trillion a month ago and by 13.21% from P15.709 trillion a year earlier. Banks' past due loans increased by 3.72% month on month to P769.891 billion in August from P742.266 billion. It likewise jumped by 11.08% from P693.085 billion in August 2025. This brought the latest past due loan ratio to 4.33%, higher than the 4.24% in July but lower than the 4.41% in August 2025. Restructured loans slipped by 0.4% to P340.581 billion in August from P341.96 billion in the previous month. However, it grew by 3.55% from P328.917 billion a year ago.

<https://bworldonline.com/top-stories/2026/10/04/784198/philippine-banks-bad-loan-ratio-steadies-in-august/>

Philippine inflation likely hit 4-month high in September — poll

Inflation may have accelerated to a four-month high in September amid fresh oil price surges, costlier food due to weather disruptions, and the peso depreciation, analysts said. A BusinessWorld poll of 22 analysts yielded a median estimate of 6.7% for the headline inflation in September, much faster than the 6.1% in August and 1.7% a year ago. This is within the Bangko Sentral ng Pilipinas' (BSP) 6.4%-7.4% forecast for the month. If realized, the September headline print would be the fastest in four months or since the 6.8% seen in May. This would also bring the country's year-to-date inflation to 5.3%. September would likely be the seventh straight month that inflation breached the BSP's 3% target, and end four straight months of easing prices. The Philippine Statistics Authority will release the September inflation report on Tuesday, Oct. 6. "Global oil price pressures intensified in September, with domestic fuel prices reflecting substantial upward adjustments. Weather-related disruptions are also likely to have pushed food inflation higher," Oxford Economics Assistant Economist Jun Hao Ng said in an e-mail. In September, fuel retailers raised pump prices for three straight weeks after the reescalation of the Middle East war drove global oil prices past \$100 per barrel. Pump price adjustments during the month came in at a net increase of P14.39 per liter for gasoline, P14.48 per liter for diesel, and P12.83 per liter for kerosene. Fuel prices in Metro Manila and nearby areas stood above P100 per liter, with diesel sold for as much as P106 a liter, gasoline at P111 a liter, and kerosene at P141 a liter.

<https://bworldonline.com/top-stories/2026/10/04/784201/philippine-inflation-likely-hit-4-month-high-in-september-poll/>

Tax take falls short of HI goal

Tax collections in the first semester fell short of the government's target by P16.6 billion as weaker infrastructure spending and softer consumption amid the oil-price shock weighed on several major revenue streams. The Development Budget Coordination Committee's (DBCC's) latest midyear report showed that tax revenues rose 5.4 percent to P2.14 trillion in the first half from P2.03 trillion a year earlier. However, collections fell short of the P2.16-trillion midyear program by P16.6 billion. The shortfall was largely due to the Bureau of Internal Revenue (BIR), which collected P1.65 trillion but missed its target by P22.6 billion after growth in several major revenue streams slowed to single digits. "The oil price shock affected the consumption of Filipinos. This is evident in the collections of consumption taxes such as the VAT and excise tax," the DBCC said. Withholding taxes, including those on corporate and personal income, contributed to the weaker performance, with net income and profit-related tax collections growing by only 6.3 percent to P901.7 billion, down from the 13.3-percent growth a year earlier.

<https://business.inquirer.net/614222/tax-take-falls-short-of-hi-goal>

CoA flags P10.77B in solar dues

The Commission on Audit (CoA) flagged P10.77 billion in uncollected obligations from solar developers, P1.17 billion in doubtful fund transfers and P1.60 billion in unpaid contractor training fees at the Department of Energy (DoE) in its 2025 annual audit report. State auditors said delays in contract processing, project defaults and cancellations under Solar Energy Operating Contracts posed risks to government revenues and potential power generation capacity. CoA recommended that the DoE exhaust administrative and legal remedies to recover the outstanding obligations, enforce sanctions against defaulting contractors and review policies governing solar service contract awards to minimize cancellations. The audit body also flagged P1.17 billion in fund transfers to other government agencies, citing accounting discrepancies and long-unliquidated balances. Auditors cited a P599.95-million unreconciled variance between DoE records and those of implementing agencies, as well as P101.97 million in fund transfers that remained unliquidated for 10 to more than 40 years. The DoE also failed to collect P1.60 billion in Training Commitment and Development Assistance from conventional and renewable energy contractors because of irregular billing, state auditors said. The amount consisted of P1.18 billion from conventional energy contractors and P417.18 million from renewable energy contractors. Another P491.16 million was at risk of non-collection due to terminated service contracts.

<https://bworldonline.com/the-nation/2026/10/04/784320/coa-flags-p10-77b-in-solar-dues/>

SEC seeks mandatory accreditation of third-party debt collectors

The Securities and Exchange Commission (SEC) is proposing to require third-party debt collection agencies to secure accreditation before collecting debts for financing and lending companies. The corporate regulator said on Friday that it issued for public comment on Sept. 30 a draft memorandum circular covering the accreditation, disclosure, and oversight of third-party collection agencies (TPCAs) engaged by financing and lending companies. Under the draft rules, only SEC-accredited TPCAs, aside from the internal collection agents of financing and lending companies, would be allowed to conduct debt collection activities. TPCAs are defined under the proposal as stock corporations registered with the SEC that are engaged by financing and lending companies to provide debt collection services. "The draft rules aim to establish a regulatory framework that will bring TPCAs under the Commission's direct supervision and set uniform standards of conduct for debt collection to better protect borrowers from abusive collection practices," the SEC said.

<https://bworldonline.com/corporate/2026/10/04/784207/sec-seeks-mandatory-accreditation-of-third-party-debt-collectors/>

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PHILIPPINES

• **El Niño threat driving buildup of food stocks, storage capacity**

THE Department of Agriculture (DA) said its preparations for the El Niño include building up stocks of food and farm inputs, as well as expanding the warehousing network Agriculture Secretary Francisco P. Tiu Laurel, Jr. said Thursday that DA is better prepared than in the last El Niño, which was taking hold at the time he joined the government in November 2023. "We are now more prepared," Mr. Laurel said, noting the DA's advance purchases of rice, fertilizer, and other agricultural inputs. The government has also given the DA an additional P6.2 billion for fuel subsidies and other assistance to aid farmers, fisherfolk, and haulers of agricultural products to cope with higher fuel costs triggered by the conflict in the Middle East. The DA is shifting to foliar and soil ameliorants, including bio-based, non-urea products, while tailoring interventions to local conditions, Mr. Laurel said, adding that El Niño does not mean all areas will be dry, and some places may receive excessive water. The DA plans to increase fertilizer application and seed intensity in areas where conditions warrant. "At the end of the day, we are looking at the worst-case scenario, so we expect that overall production will still be lower," he said. El Niño is expected to affect fisheries, livestock, and crops, shaving off around 700,000 metric tons from the projected palay output during the main harvest in the second half of the year. To build a bigger food buffer, the National Food Authority now has 365 active warehouses, up from around 300, after renting an additional 165 facilities. Mr. Laurel said the expanded network includes silos and other warehouses, which should help the country ride out potential supply disruptions. New cold storage facilities will also be opened to extend the shelf life of meat and vegetables. Cloud seeding has also begun in drought-hit areas, including Isabela and Negros.

<https://bworldonline.com/economy/2026/10/04/784310/el-nino-threat-driving-buildup-of-food-stocks-storage-capacity/>

• **PNB expects to sustain double-digit growth pace**

Philippine National Bank (PNB) expects to sustain double-digit growth in the second half, banking on its low-cost deposits and business-focused loan portfolio to cushion the impact of higher interest rates. PNB president and CEO Edwin Bautista said the bank's strong first-half performance had carried into the succeeding months, although he could not give a growth rate forecast. "But so far the trend continues," Bautista said. "The numbers, the growth rates are going to be very similar." PNB's net income reached P14.6 billion in the first six months of 2026, up by about 17 percent from P12.5 billion in the same period last year. Bautista said PNB's high current account and savings account ratio, supported by its extensive branch network, should help keep funding costs relatively stable as interest rates rise.

<https://business.inquirer.net/614216/pnb-expects-to-sustain-double-digit-growth-pace>

• **DBP urges public to invest in RTBs**

State-run Development Bank of the Philippines (DBP) called on the public to invest in the latest tranche of the retail Treasury bond (RTB) program, which provides shorter tenor and higher interest rate. DBP president and CEO Michael de Jesus said the latest RTB issuance (RTB 32) allows investors to purchase the bonds for a minimum amount of P5,000, and earn as much as 6.875 percent gross per annum, payable quarterly for 2.5 years. "This latest issuance of RTB32 offers a viable opportunity for Filipinos to access an affordable and low-risk investment, while also enjoying higher interest rates over a shorter period," De Jesus said. DBP is the 10th largest bank in the country in terms of assets and provides credit support to four priority sectors of the economy – infrastructure and logistics; micro, small and medium enterprises; the environment; and social services and community development.

<https://www.philstar.com/business/2026/10/04/2560706/dbp-urges-public-invest-rtbs>

• **GCash cues P5.7B of IPO funds for lending**

GCash parent Mynt Inc. plans to channel P5.7 billion from its upcoming initial public offering (IPO) into lending, as CreditTech contributes a growing share of the financial technology group's revenue. CreditTech is Mynt's digital lending business segment. The fintech's final prospectus earmarked P5.65 billion, or 60 percent of estimated net primary proceeds of P9.42 billion, for CreditTech expansion. The funds will support growth in its on-book loan portfolio from 2027 to 2029, supplementing available cash and credit lines from local and international financial institutions. CreditTech revenue jumped 38.8 percent to P17.98 billion in the first half of 2026. It accounted for 41.8 percent of Mynt's adjusted revenue, up from 33 percent a year earlier.

<https://business.inquirer.net/614225/gcash-cues-p5-7b-of-ipo-funds-for-lending>



REST OF THE WORLD

• **Japan stocks gain, Asian shares rise as Fed hike bets ease, oil gains**

Asian stocks rose after a softer US jobs data report eased pressure on the US Federal Reserve to keep raising interest rates. Brent crude rose as Yemen launched a bid to recapture Houthi-controlled areas. MSCI's Asia Pacific equities index rose 0.4 per cent, with Japanese shares rallying 2 per cent. Among the main moves in markets, S&P 500 futures rose 0.1 per cent as at 9.06 am Tokyo time. The Hang Seng futures fell 0.2 per cent, Japan's Topix rose 0.9 per cent and Australia's S&P/ASX 200 rose 0.6 per cent. Contracts for the Nasdaq 100 rose 0.3 per cent after the underlying gauge closed at a record high on Friday (Oct 2) and a US index of semiconductor shares rallied. Brent for December delivery rose above US\$103 a barrel early on Monday before paring gains after that contract gained almost 5 per cent last week. Prices rallied even after major Opec+ nations agreed to keep oil production quotas unchanged in November.

<https://www.businesstimes.com.sg/companies-markets/japan-stocks-gain-asian-shares-rise-fed-hike-bets-ease-oil-gains>

• **European Stocks Rebound from 3-1/2-Month Low**

European equities recovered on Friday after hitting a 3-1/2-month low, as falling government bond yields and cheaper oil helped restore some investor confidence. The STOXX 50 gained more than 1%, while the broader STOXX 600 advanced over 0.5%, although both benchmarks recorded a weekly loss. Global sentiment improved following weaker-than-expected US employment data, which reduced expectations of further Federal Reserve rate increases. Oil prices also retreated after the G7 and partner countries announced plans to release up to 100 million barrels of crude and diesel reserves. Technology stocks led the rebound, with the sector rising more than 2.5%. ASML Holding climbed over 3%.

<https://tradingeconomics.com/euro-area/stock-market/news/589238>



REST OF THE WORLD

• Wall Street Gains on Soft Jobs Report

US stock indices closed higher on Friday after a weaker-than-expected jobs report prompted investors to pare bets on further Fed tightening. The S&P 500 rose 0.7%, the Dow added 250 points, and the Nasdaq gained 1% to close at a record 30,808. Nonfarm payrolls increased by just 29,000 last month, well below expectations for a 90,000 gain. Employment figures for the previous two months were also revised lower. Fed rate expectations eased following the data. Meanwhile, oil prices declined, helping support the bond market, providing an additional boost to equities. Credit-sensitive stocks gained, AI companies, which are facing record levels of debt issuance, closed mostly higher. Nvidia rose 1.3%, Broadcom gained 3.3%, and AMD added 2.9%. Among hyperscalers, Alphabet rose 1.6%, Amazon gained 1.3%, and Oracle added 3.1%.

<https://tradingeconomics.com/united-states/stock-market/news/589275>

• Brent Volatile Amid Middle East Tensions

Brent crude traded around \$102 a barrel on Friday amid reports of additional US military deployments to the Middle East and China's decision on Thursday to halt fuel exports this month. The US is reportedly sending a third aircraft carrier strike group to the region, along with an amphibious force carrying 2,000 Marines, raising concerns over a potential escalation in the months-long conflict. The deployment comes as US President Donald Trump has signaled an intention to resume strikes on Iran after the November midterm elections. Meanwhile, China's major refiners have suspended most refined fuel exports for October. However, a strong rebound in oil flows from the Persian Gulf has largely offset upward price pressures.

<https://tradingeconomics.com/commodity/brent-crude-oil/news/589273>

• Gold Edges Lower on Friday

Gold traded around \$4,140 an ounce on Friday even as weaker-than-expected US jobs data reinforced expectations that the Federal Reserve may keep interest rates unchanged at its upcoming meeting. The US economy added just 29,000 jobs in September, well below expectations of 90,000, following a downwardly revised gain of 133,000 in August. The unemployment rate rose to 4.2%, while annual wage growth slowed unexpectedly to 3.0%, its weakest level since May 2021. The softer labor-market data has further reduced expectations of an October rate hike. Money markets are now pricing in a near 20% chance of a rate increase this month, while the probability of a hike in December remains above 80%.

<https://tradingeconomics.com/commodity/gold/news/589173>

• South-east Asia's LNG hunger sparks caution over volatile prices, infra gaps

South-east Asia's demand for liquefied natural gas (LNG) is expanding even in the wake of the US-Iran war, but concerns loom over price volatility and infrastructure gaps, industry players and analysts told The Business Times. Leong Wei Hung, CEO of gas terminal operator Singapore LNG Corp (SLNG), sees the fuel as a "mainstay of the region's energy mix for years to come" – a view that analysts echo. The fuel "will very much remain a key part of South-east Asia's energy mix as it is still the cleanest and most widely available fossil fuel", said Lee Rou Urn, Asia LNG pricing analyst at Argus. In line with expected growth, South-east Asia is developing 70 million tons per annum (MTPA) of LNG import capacity, alongside over 100 gigawatts (GW) of gas-fired power generation capacity, a report by US think-tank Global Energy Monitor found.

<https://www.businesstimes.com.sg/companies-markets/energy-commodities/south-east-asias-lng-hunger-sparks-caution-over-volatile-prices-infra-gaps>

• Vietnam nears 10% growth as economy surges; posts trade surplus

Vietnam's economic growth goal surged in the third quarter on rising foreign investment and factory output, putting the nation in reach of the government's ambitious double-digit growth goal for the year. Gross domestic product rose 9.95 per cent in the July to September period from a year earlier, according to data from the National Statistics Office in Hanoi on Saturday (Oct 3). That is the fastest since the third quarter of 2022, and beat the 8.7 per cent median estimate in a Bloomberg survey of eight economists. One of Asia's brightest growth stars, Vietnam's government is targeting at least 10 per cent expansion this year as it seeks to move up the value chain and reach high-income status by 2045. The data gives the clearest indication yet that it is on course and that a massive infrastructure investment campaign is delivering the required results. Trade was especially strong, with exports rising 39.1 per cent in September, much faster than the estimate of 26.6 per cent. Imports gained 45.8 per cent, compared with expectations of a 38.1 per cent gain.

<https://www.businesstimes.com.sg/international/asean/vietnam-nears-10-growth-economy-surges-posts-trade-surplus>

• Europe needs simpler bank rules not lower capital: ECB's VP

Europe's banks need simpler rules not laxer capital requirements, European Central Bank Vice President Boris Vujcic said on Friday, arguing that robust bank requirements are a source of strength. The US has been easing some capital rules and European bank lobbies are also calling for a review of the regulatory framework, claiming it was too cautious and constrains the provision of credit. But Vujcic agreed that rules have become overly complex and regulators could simplify them without jeopardising safety. "I agree that such resilience does not necessarily require complex rules," he said. "The same level of resilience can, in many cases, be achieved with simpler ones." He said capital calculation should be simplified and various requirements, known as the capital stack, should be merged into two: a releasable and a non-releasable buffer. He also made the case for regulators to create a materially simpler regime for smaller, less complex banks, to ease their costs. Regulators should also simplify the resolution framework, Vujcic said.

<https://www.reuters.com/legal/transactional/europe-needs-simpler-bank-rules-not-lower-capital-ecbs-vp-2026-10-02/>

• Poland's fuel price cap could ease pressure on central bank to tighten policy

A fuel price cap introduced following the Polish president's decision to approve a windfall tax on energy firms will lower inflation towards the target range, reducing pressure on the central bank to raise rates this year, analysts said on Friday. Before the move, a significant acceleration in inflation had increased pressure on the central bank to tighten monetary policy this year – a move already signalled by some Polish central bankers. The National Bank of Poland kept its main interest rate at 3.75% in September, maintaining its cautious approach as rising commodity prices and increased energy costs create a risk of a higher inflation rate. The NBP will make its rate decision on Wednesday, with most analysts projecting no change, although market pricing for the next four meetings is almost evenly split between prospects of steady rates and a rate rise amid accelerating inflation.

<https://www.reuters.com/business/polands-fuel-price-cap-could-ease-pressure-central-bank-tighten-policy-2026-10-02/>

- US job growth slows sharply in September; unemployment rate rises to 4.2%

US job growth slowed more than expected in September and the nonfarm payrolls count for the prior two months was revised sharply lower, almost taking another interest rate hike from the Federal Reserve this month off the table. The Labor Department's closely watched employment report on Friday (Oct 2) also showed the unemployment rate increased to 4.2 per cent last month from 4.1 per cent in August as more people entered the workforce. The sharp moderation in job growth likely does not mark a sudden deterioration in labour market conditions.

<https://www.channelnewsasia.com/world/us-job-growth-slows-sharply-in-september-unemployment-rate-rises-42-6426996>

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Consumer Financial Health and
Environment Sub-Sector, BSP

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ROCHELLE D. TOMAS
Director
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ATTY. ELMORE O. CAPULE
Deputy Governor
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MANORIS A. SALUD
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with Opening Remarks & Overview from
ATTY. ELMORE O. CAPULE
Deputy Governor
Corporate Services Sector
Bangko Sentral ng Pilipinas

MS. MANORIS A. SALUD
CPA, MBA, CISA, CIA, CISM, MCSP
Deputy Director and Head
Technology Risk & Innovation
Supervision Department 2

MR. DEXTER S. MACATANGAY
CPA, MBA, CISA, CIA, CISM, CC, CISP
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	Understanding AFASA and Industry Protocol: Legal Framework and Implementation	November 11, 2026	PROGRAM DETAILS	REGISTER HERE
	Basic Course on Corporate Governance	November 19, 2026	PROGRAM DETAILS	REGISTER HERE
	Real-Time Fraud Defense: Deep Dive into Fraud Management Systems under AFASA (Circular 1213)	November 20, 2026	PROGRAM DETAILS	REGISTER HERE
	Basic Course on Corporate Governance	January 18, 2027	PROGRAM DETAILS	REGISTER HERE
	Basic Course on Corporate Governance	March 22, 2027	PROGRAM DETAILS	REGISTER HERE
	Basic Course on Corporate Governance	April 20, 2027	PROGRAM DETAILS	REGISTER HERE
	Basic Course on Corporate Governance	May 24, 2027	PROGRAM DETAILS	REGISTER HERE
Information Technology and Security Course (ITSEC) Committee	Artificial Intelligence Management System (ISO 42001:2023)	November 10, 2026	PROGRAM DETAILS	REGSITER 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
	Artificial Intelligence Management System (ISO 42001:2023)	February 9, 2027	PROGRAM DETAILS	REGISTER HERE
	Artificial Intelligence Management System (ISO 42001:2023)	May 6, 2027	PROGRAM DETAILS	REGISTER HERE



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Leadership Effectiveness Course (LEC) Committee	WRITING FOR IMPACT: Strengthening Your Business Communication Skills (Module 3)	October 8, 2026	PROGRAM DETAILS	REGISTER HERE
	Leadership Effectiveness and Advancement (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 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
	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
	Fraud & Forgery Detection and Prevention Program	October 22, 2026	PROGRAM DETAILS	REGISTER HERE
	Remedial Management	November 12 – 13, 2026	PROGRAM DETAILS	REGISTER HERE
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	Credit Risk Management: An Intro	October 9, 2026	PROGRAM DETAILS	REGISTER HERE
	Third Party Risk Management	October 14, 2026	PROGRAM DETAILS	REGISTER HERE
	Business Continuity: Strengthening Your Fundamentals to a Robust or Resiliency Level	October 21, 2026	PROGRAM DETAILS	REGISTER HERE
	IFRS 9 in Detail: ECL	October 23, 2026	PROGRAM DETAILS	REGISTER HERE
	Market Risk Management	October 30, 2026	PROGRAM DETAILS	REGISTER HERE



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