

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi MAY 7, 2026 OPEN: 6,033.27 HIGH: 6,106.96 LOW: 6,021.33 CLOSE: 6,034.27 VOL: 0.892 B VAL(P): 7.918 B 67.06 PTS. 1.12% 30 DAYS TO MAY 7, 2026	MAY 7, 2026 JAPAN (Nikkei 225) 62,833.84 ▲ 3,320.72 5.58 HONG KONG (HANG SENG) 26,626.28 ▲ 412.50 1.57 TAIWAN (WEIGHTED) 41,933.78 ▲ 794.93 1.93 THAILAND (SET INDEX) 1,514.01 ▼ -2.90 -0.19 S. KOREA (KSE COMPOSITE) 7,490.05 ▲ 105.49 1.43 SINGAPORE (STRAITS TIMES) 4,948.46 ▲ 21.08 0.43 SYDNEY (ALL ORDINARIES) 8,878.10 ▲ 84.50 0.96 MALAYSIA (KLCSE COMPOSITE) 1,758.85 ▲ 1.98 0.11	MAY 6, 2026 DOW JONES 49,910.590 ▲ 612.340 NASDAQ 25,838.943 ▲ 512.817 S&P 500 7,365.120 ▲ 105.900 FTSE 100 10,438.660 ▲ 219.550 Euro Stoxx50 5,173.340 ▲ 124.370	FX 59.40 60.02 60.64 61.26 61.88 62.50 88.50 CTVS 30 DAYS TO MAY 7, 2026 OPEN P60.850 HIGH P60.345 LOW P60.900 CLOSE P60.420 W.AVE. P60.691 VOL. \$2,401.94 M SOURCE : BAP	MAY 7, 2026 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 156.3900 ▼ 156.0800 HONG KONG (HK DOLLAR) 7.8322 ▲ 7.8361 TAIWAN (NT DOLLAR) 31.3790 ▲ 31.4060 THAILAND (BAHT) 32.1400 ▲ 32.2600 S. KOREA (WON) 1,451.8200 ▼ 1,446.6000 SINGAPORE (DOLLAR) 1.2658 ▲ 1.2681 INDONESIA (RUPIAH) 17,330.000 ▲ 17,380.000 MALAYSIA (RINGGIT) 3.9070 ▲ 3.9260	MAY 7, 2026 CLOSE PREVIOUS US\$/UK POUND 1.3616 ▼ 1.3622 US\$/EURO 1.1768 — 1.1768 US\$/AUSTRALIAN DOLLAR 0.7253 ▼ 0.7258 CANADA DOLLAR/US\$ 1.3626 ▼ 1.3589 SWISS FRANC/US\$ 0.7776 ▼ 0.7795	DUBAI CRUDE OIL FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$103.69/BBL 168.00 161.40 134.80 106.20 81.60 55.00 \$2.91 30 DAYS TO MAY 6, 2026

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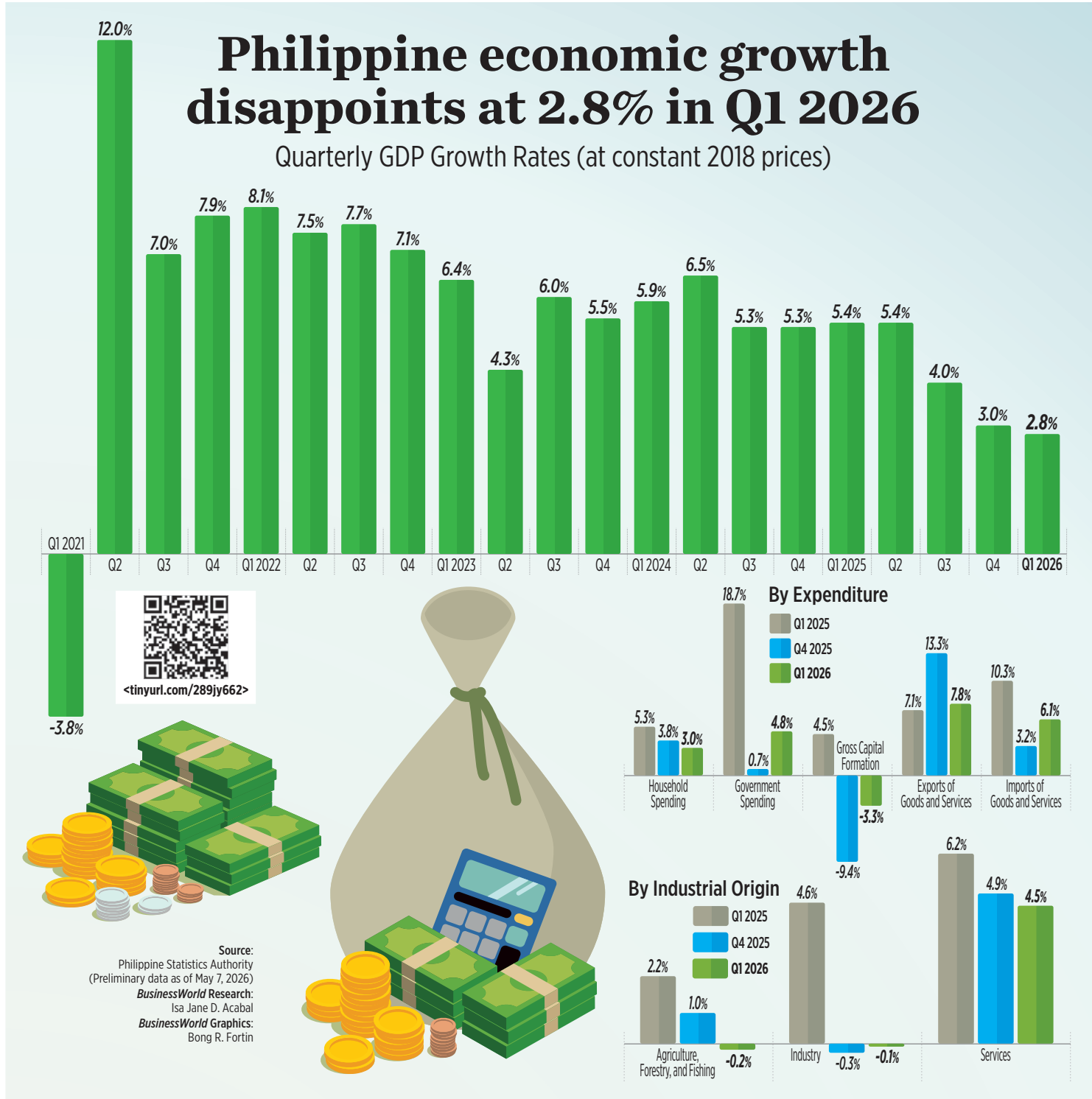
PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MAY 7, 2026 (PSEi snapshot on S1/2; article on S2/2)

ICT P785.000 Value P2,201,212,225 PO.000 — 0.000%	BDO P117.100 Value P776,314,268 P5.300 ▲ 4.741%	BPI P89.900 Value P384,302,490 P1.000 ▲ 1.125%	ALI P15.800 Value P306,471,330 PO.480 ▲ 3.133%	SM P609.500 Value P265,869,950 P4.500 ▲ 0.744%	JFC P166.500 Value P258,531,052 P2.700 ▲ 1.648%	SGP P26.000 Value P201,117,805 -PO.500 ▼ -1.887%	NIKL P5.090 Value P158,642,652 -PO.140 ▼ -2.677%	MBT P66.100 Value P157,403,022 P2.050 ▲ 3.201%	MER P660.000 Value P143,233,035 P10.000 ▲ 1.538%
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Oil shock drags growth to 5-year low

Philippine economic growth disappoints at 2.8% in Q1 2026

Quarterly GDP Growth Rates (at constant 2018 prices)



By Justine Irish D. Tabile
Senior Reporter

THE Philippine economy grew by a weaker-than-expected 2.8% in the first quarter, the slowest pace since the pandemic, as the fallout from a corruption scandal and soaring oil prices triggered by the Middle East conflict dampened economic activity.

Data from the Philippine Statistics Authority showed that gross domestic product (GDP) expanded by 2.8% in the January-to-March period, significantly slower than the 5.4% expansion in the same quarter last year.

This was also well-below the 3.4% median forecast of 21 economists in a *BusinessWorld* poll last week, and slower than the revised 3% GDP growth in the fourth quarter of 2025.

On a seasonally adjusted quarterly basis, GDP expanded by 0.93%, from 0.6% in the previous quarter.

The Department of Economy, Planning, and Development (DEPDev) said the impact of the Middle East war, compounded by lingering effects of last year's corruption scandal and delays in the release of the 2026 national budget, weighed on economic growth in the first three months.

"We recognize that this outcome reflects the combined impact of significant domestic and global challenges," said DEPDev Secretary Arsenio M. Balisacan.

"The conflict in the Middle East, which escalated toward the end of February, triggered higher global oil prices and renewed supply chain pressures, creating additional risks for oil-importing economies such as the Philippines," he added.

The first-quarter print was the weakest since the 3.8% contraction in the first quarter in 2021. Excluding the pandemic, it was the slowest pace since the 1.8% growth seen in the fourth quarter of 2009.

"Among our neighboring economies in Asia that have released their first-quarter GDP figures, our growth performance trails Vietnam, Indonesia, and China, among others in the region," Mr. Balisacan said.

The Development Budget Coordination Committee would meet by Monday next week to review its macroeconomic assumptions, he said.

"We don't expect to achieve the kind of growth that we expected to happen a year ago, given recent developments, and we will adjust accordingly," he said. "(W)e definitely will move our growth targets lower."

The first-quarter GDP was well below the government's target range of 5-6% for the year.

Mr. Balisacan said the growth outlook would largely depend on developments in the Middle East conflict, expressing hope that oil prices would continue to ease.

"But we do know already that even as the Middle East conflict ends today, the lingering effects of the oil prices and the supply chain disruptions will persist in the coming months."

SLUGGISH CONSUMPTION

The downtrend in household spending continued in the first quarter.

Household final consumption expenditure — a key driver of the economy — grew by 3% annually, slowing from the 5.28% print in the same quarter last year and 3.8% in the previous quarter.

Oil, S1/3

BSP says it may resort to 'more drastic' action if inflation expectations worsen

By Katherine K. Chan
Reporter

THE Bangko Sentral ng Pilipinas (BSP) may resort to "more drastic" action to tame inflation as rising rice prices and transport fares threaten to de-anchor inflation expectations, a senior official said.

"If rice prices (and transport) fares contribute to increases in inflation expectations above the inflation target at some point in the future, it's going to take more actions, more drastic actions from the central bank to help inflation expectations go back to the target," BSP Deputy

Governor Zeno Ronald R. Abenoja told a webinar on Thursday.

Mr. Abenoja said inflation expectations continue to drift away from the BSP's target, with the trend expected to persist over the next three years.

"What we are worried about is that the three-year expectations of inflation is shifting consistently upward, and it could go away from the 3% target. So, that is one thing that we are closely watching," he said.

"And what we are looking at is how fuel, energy, and food, particularly rice, are playing a role in this formation of these expectations in the next one, up to three years forward," he added.

The BSP deputy governor also noted that rising food prices, especially rice, amid the ongoing energy crisis and the anticipated impact of climate shocks later this year will stoke Philippine inflation, which has accelerated since the war erupted.

In April, headline inflation quickened to an over three-year high of 7.2%, driven by high oil prices feeding into costs of food and utilities.

This was the second month in a row that inflation breached the BSP's 2%-4% target and its monthly estimate. It had expected inflation to settle between 5.6% and 6.4% last month.

RISKS TILTED TO THE UPSIDE

In a report published late Wednesday, Oxford Economics said the Philippines will experience heavier inflationary pressures as rising food inflation spills over to related baskets such as food service.

"Within Asia, emerging markets are the most exposed due to high food CPI (consumer price index) weights and import dependence, particularly in the Philippines," it said. "Risks to food inflation remain tilted to the upside from prolonged supply constraints, climate shocks, and a low-probability but high-impact tail risk of a repeat of the food export restrictions seen in 2022-2023."

Philippine Statistics Authority data showed that the food and nonalcoholic beverages index has the highest share in the CPI basket, with 37.75% of the total.

BSP, S1/12

Debt-to-GDP ratio reaches 21-year high at end-March

THE National Government (NG) debt as a share of gross domestic product (GDP) rose to 65.2% at the end of the first quarter, the highest ratio since 2005, data from the Bureau of the Treasury showed.

The increase came as outstanding debt climbed by 1.8% to P18.49 trillion as of end-March from P18.16 trillion at the end of February, while economic growth slowed sharply.

Philippine GDP expanded by 2.8% in the first three months of 2026, the weakest pace since the pandemic, as the oil shock dampens consumer spending and stokes inflation.

Based on available data, the debt-to-GDP ratio at the end of March was the highest since 65.7% recorded in 2005. The debt-to-GDP ratio climbed to 63.2% at the end of 2025.

This is also above the 60% debt-to-GDP threshold considered by multilateral lenders to be manageable for developing economies.

"The recent uptick in NG debt partly reflects currency valuation effects rather than a sharp slippage in fiscal fundamentals as peso depreciation mechanically raises the peso value of foreign-currency obligations," said Union Bank of the Philippines Chief Economist Ruben Carlo O. Asuncion in a Viber message.

"While peso weakness could continue to put some upward pressure

on headline debt figures amid global and geopolitical uncertainties, the impact should remain manageable given the government's reliance on domestic, peso-denominated borrowing," he added.

The peso closed P60.748 against the dollar on March 31, weakening by P3.083 from its P57.665 close on Feb. 27.

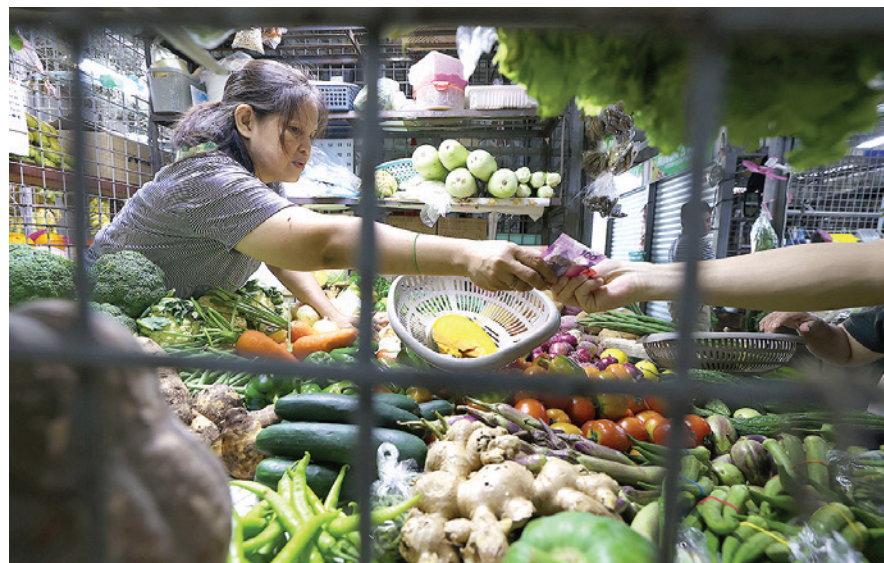
Domestic borrowings continue to account for the bulk of the debt stock, or 67.8%, while the rest came from external sources.

Domestic debt inched up by 0.44% to P12.53 trillion at end-March from P12.48 trillion at end-February, while external debt jumped by 4.81% to P5.95 trillion from P5.68 trillion.

"Even if most borrowing is domestic, peso depreciation will keep putting upward pressure on the debt stock as long as the West Asia situation and global financial uncertainty keep the dollar strong," Jose Enrique "Sonny" A. Africa, executive director of the think tank IBON Foundation, said in a Viber message.

He added that the pressure on debt and prices would persist as long as the Philippines remains heavily dependent on imports for fuel, food, and other consumer, intermediate and capital goods.

Debt, S1/12



A VENDOR accepts payment from a customer at a market in Quezon City, May 6.

PHILIPPINE STAR/MIGUEL DE GUZMAN