

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 5,978.74 HIGH: 6,049.82 LOW: 5,976.51 CLOSE: 6,009.38 VOL: 0.474 B VAL(P): 5.581 B 47.98 pts. 0.8% 30 DAYS TO MAY 25, 2026	MAY 25, 2026 JAPAN (NIKKEI 225) 65,158.19 ▲ 1,819.12 2.87 HONG KONG (HANG SENG) 25,606.03 ▲ 219.51 0.86 TAIWAN (WEIGHTED) 43,644.40 ▲ 1,376.43 3.26 THAILAND (SET INDEX) 1,548.41 ▲ 9.74 0.63 S.KOREA (KSE COMPOSITE)* 7,847.71 ▲ 32.12 0.41 SINGAPORE (STRAITS TIMES) 5,074.33 ▲ 6.18 0.12 SYDNEY (ALL ORDINARIES) 8,692.00 ▲ 35.00 0.40 MALAYSIA (KLE COMPOSITE) 1,708.50 ▼ -4.17 -0.24 <small>*CLOSING PRICE AS OF MAY 27, 2026.</small>	MAY 22, 2026 DOW JONES 50,579.700 ▲ 294.040 NASDAQ 26,343.970 ▲ 50.873 S&P 500 7,473.470 ▲ 27.750 FTSE 100 10,466.260 ▲ 22.790 EURO STOXX50 5,197.990 ▲ 39.080	FX OPEN P61.350 HIGH P61.350 LOW P61.535 CLOSE P61.465 W.AVE. P61.437 VOL. \$1,803.25 M 22.50 cts 30 DAYS TO MAY 25, 2026 SOURCE: BAP	MAY 25, 2026 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 158.9300 ▲ 159.1900 HONG KONG (HK DOLLAR) 7.8342 ▲ 7.8343 TAIWAN (NT DOLLAR) 31.4110 ▲ 31.4490 THAILAND (BAHT) 32.4600 ▲ 32.6500 S. KOREA (WON) 1,513.0900 ▲ 1,520.1000 SINGAPORE (DOLLAR) 1.2768 ▲ 1.2795 INDONESIA (RUPIAH) 17,730.000 ▼ 17,690.000 MALAYSIA (RINGGIT) 3.9510 ▲ 3.9650	MAY 25, 2026 CLOSING PREVIOUS US\$/UK POUND 1.3491 ▲ 1.3427 US\$/EURO 1.1641 ▲ 1.1602 US\$/AUSTRALIAN DOLLAR 0.7164 ▲ 0.7124 CANADA DOLLAR/US\$ 1.3814 ▼ 1.3820 SWISS FRANC/US\$ 0.7814 ▼ 0.7847	DUBAI CRUDE OIL FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$104.00/bbl 116.50 111.20 105.90 100.60 95.30 90.00 \$0.30 30 DAYS TO MAY 22, 2026

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MAY 25, 2026 (PSEi snapshot on SI/5; article on SI/2)

ICT	P826.000	BDO	PI17.200	JFC	P138.000	MER	P604.500	MYNLD	P22.800	MBT	P64.800	SGP	P28.000	BPI	P91.100	ALI	P15.920	SM	P612.000
Value	P559,871,835	Value	P302,363,447	Value	P223,079,150	Value	P167,168,870	Value	P149,962,095	Value	P147,633,823	Value	P141,070,975	Value	P131,769,594	Value	P118,191,240	Value	P108,605,090
P10.500	▲ 1.288%	P2.200	▲ 1.913%	P1.500	▲ 1.099%	-P3.500	▼ -0.576%	-P0.950	▼ -4.000%	-P1.200	▼ -1.818%	P0.300	▲ 1.083%	P2.750	▲ 3.113%	P0.420	▲ 2.710%	P4.000	▲ 0.658%

FSCC: Financial system under strain

Next BSP hike may be 50 bps — DB Research

By Katherine K. Chan
Reporter

THE BANGKO SENTRAL ng Pilipinas (BSP) could raise its policy rate by 50 basis points (bps) in its next tightening move, as analysts at Deutsche Bank (DB) Research warned that inflation expectations are becoming unanchored.

Deutsche Bank Research said the central bank will likely be more aggressive in tightening monetary policy following BSP Governor Eli M. Remolona, Jr.'s latest hint of an off-cycle rate hike.

"We read its announcement for an off-cycle hike as a signal that inflation expectations are unanchoring, which thus calls for more decisive action to be taken, given that April's 7.2% year-on-year inflation," Deutsche Bank Research said in a report published on Monday.

This came after Mr. Remolona's interview aired on *Money Talks* with *Cathy Yang* last Friday where he said the Monetary Board is considering delivering its second straight interest rate hike before their scheduled June 18 policy meeting.

For Deutsche Bank Research, this could mean that the policy rate will be raised to 5% on or before the Board's next policy review.

"We expect BSP to now hike by 50 bps at its next meeting, whether off-cycle or its scheduled one on 18 June, as it takes a stronger stance in managing inflation expectations," it said.

The central bank first hiked by 25 bps in April, after one-and-a-half years of easing, to raise the benchmark borrowing cost to 4.5%.

BSP officials said the latest move came as a preemptive measure to control broader second-order price effects and keep inflation expectations anchored amid growing risks from the Middle East war.

Mr. Remolona has left the door open to further tightening, noting that the central bank seeks to uphold its price stability mandate and bring the headline print back to its 3% target.

It can be recalled that inflation settled past the BSP's 2%-4% tolerance band for a second consecutive month after accelerating to 7.2% in April from 4.1% in March.

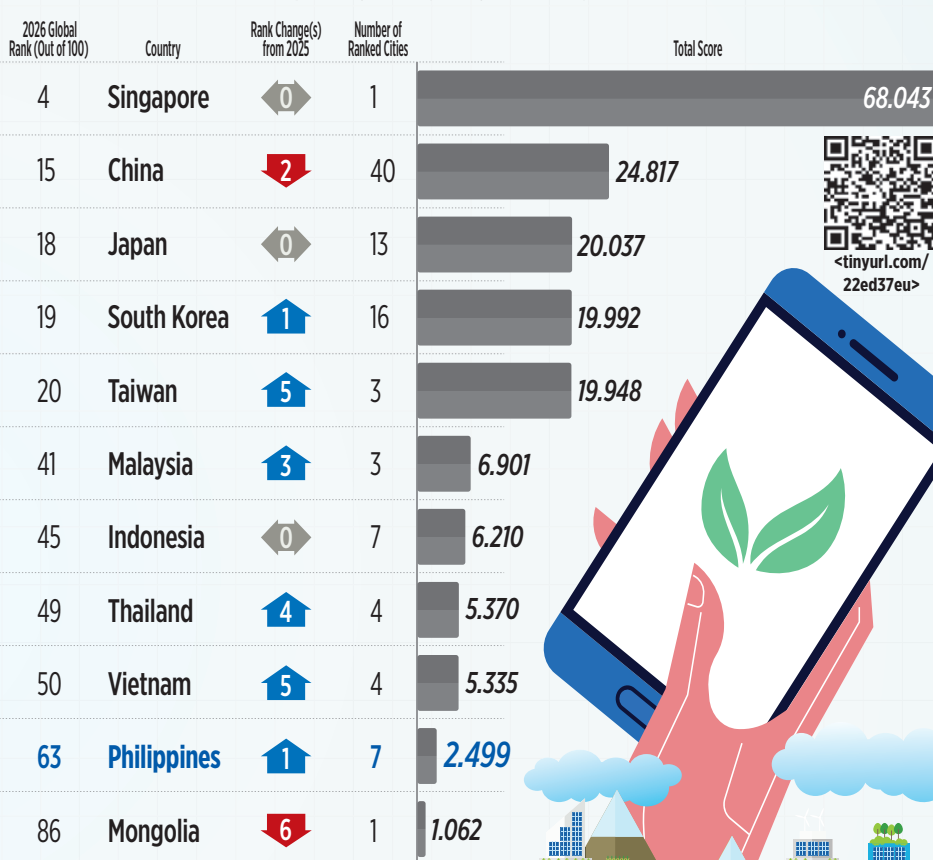
Deutsche Bank Research likewise expects the BSP to continue tightening in August, with a projected 25-bp hike to bring the key interest rate to 5.25%.

"We also expect BSP to continue tightening in August by 25 bps (for now), which effectively brings 75 bps more in policy rate increases to 5.25% by August, against our initial 50-bp expectation," it said.

BSP, SI/12

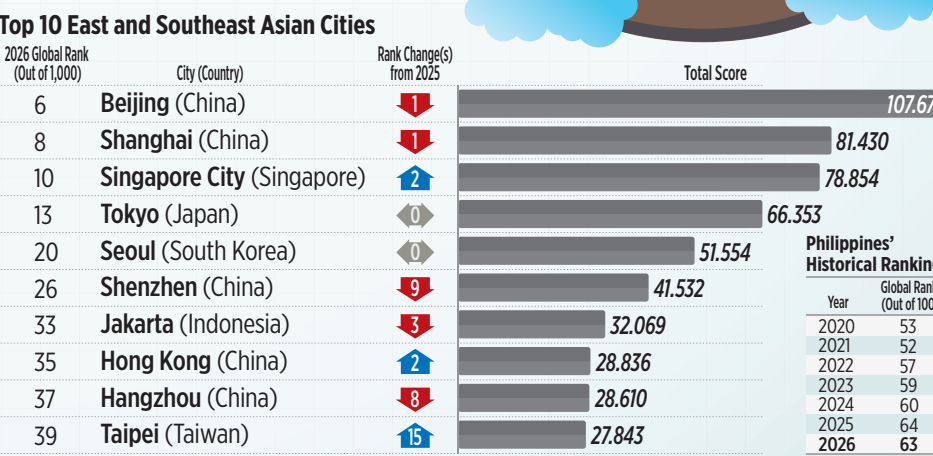
Philippines improves in the 2026 Global Startup Ecosystem Index

The Philippines inched up one spot to 63rd out of 100 countries with an overall score of 2.499 in the 2026 edition of the Global Startup Ecosystem Index by research center StartupBlink. By city level, the country had seven cities in the rankings, led by Manila at 121st out of 1,000 cities. The index evaluates startup ecosystems across 100 countries and 1,000 cities based on the total scores on quantity and quality of startups and business environment.



Philippine Cities

2026 Global Rank (Out of 1,000)	City	Rank Change(s) from 2025	Total Score
121	Manila	9	7.950
582	Cebu City	15	0.538
612	Davao City	57	0.477
711	Cagayan de Oro	18	0.354
762	Naga	6	0.314
885	Iloilo City	10	0.233
927	Iligan City	New	0.214



Top 5 Countries

2026 Global Rank (Out of 100)	Country	Total Score
1	United States	314.096
2	United Kingdom	80.114
3	Israel	71.462
4	Singapore	68.043
5	Canada	49.534

Top 5 Cities

2026 Global Rank (Out of 1,000)	City (Country)	Total Score
1	San Francisco (United States)	935.325
2	New York (United States)	352.159
3	London (United Kingdom)	197.557
4	Los Angeles (United States)	152.371
5	Boston (United States)	127.119

Source: StartupBlink's Global Startup Ecosystem Index 2026 (<https://www.startupblink.com/startupecosystemreport/>)
BusinessWorld Research: Lourdes O. Pilar and Isa Jane D. Acabal BusinessWorld Graphics: Bong R. Fortin

THE PHILIPPINE financial system is facing mounting pressure as vulnerabilities tied to corporate debt and rising household debt amid the Middle East conflict continue to test its resilience, the Financial Stability Coordination Council (FSCC) said.

In a statement following its latest quarterly meeting held last week, the interagency council noted that the local banking sector remains strong, but risks are emerging from the prolonged war in the Middle East.

"Geopolitical risks remain a key source of uncertainty," Bangko Sentral ng Pilipinas (BSP) Governor and FSCC Chair Eli M. Remolona, Jr. said on Monday.

The FSCC said the country may face higher oil prices, weaker market sentiment, tighter financial conditions, and slower economic growth if the Middle East conflict remains unresolved.

In its latest semestral report on the Philippine financial system, the BSP noted that the Middle East war is expected to have limited direct impact on domestic banks, with the brunt likely felt in the industry's operating environment.

This is because the banking system ended 2025 with enough buf-

fers to cushion the threats emerging from the energy crisis, it said.

However, the war could still push borrowing costs up and lead to higher household and corporate debt levels, the FSCC noted.

The FSCC said corporates, particularly those exposed to energy and interest rate-sensitive sectors, could face higher debt servicing costs and narrower profit margins as energy prices rise, and financial conditions tighten.

This, according to the council, could weigh on banks' asset quality.

"The Council also noted that rising bond yields could lead to valuation losses on banks' securities holdings," it added. "If market pressures persist, this may affect capital buffers."

Meanwhile, the FSCC told banks to keep watch of household borrowers' loan repayment capacity amid the ongoing crisis.

"We see pockets of vulnerability in energy- and interest rate-sensitive sectors and in valuation pressures from higher bond yields," Mr. Remolona said. "Nonetheless, the financial system remains on solid footing. Banks have adequate capital

FSCC, SI/12

PHL's foreign debt service bill soars to \$2.13 billion

THE PHILIPPINES' debt service on foreign loans continued to climb amid higher principal payments as of February, preliminary data from the Bangko Sentral ng Pilipinas (BSP) showed.

At end-February, the country's external debt service burden stood at \$2.127 billion, increasing by 31.54% from the \$1.617 billion posted in the comparable year-ago period.

This was the second consecutive month of increase in the external debt service bill.

Based on data posted on the central bank's website, principal payments more than doubled (129.02%) to \$884 million at end-February from \$386 million a year earlier.

Interest payments, on the other hand, inched up by 0.89% year on year to \$1.243 billion at end-February from \$1.232 billion.

However, Jonathan L. Ravelas, a senior adviser at Reyes Tacandong & Co., noted that while the

external debt service bill rose sharply, it merely reflects "timing and structure" rather than a sudden deterioration.

"The big story is the 129% surge in principal payments — this tells us maturities are clustering, meaning we're repaying more obligations that simply fell due, rather than borrowing improperly," he added in a Viber message.

"Interest payments, in contrast, are relatively flat, which suggests borrowing costs are stabilizing despite the high global rate environment.

The debt service bill represents principal and interest payments after rescheduling, according to the BSP.

This includes principal and interest payments on fixed medium- and long-term credits, including International Monetary Fund credits, loans covered by the Paris Club and commercial bank rescheduling, and New Money Facilities.

Foreign debt, SI/12

FUEL PRICE TRACKER
(week-on-week change)

GASOLINE	
May 12	▲ P0.47
May 19	▲ P1.21
May 26	▲ P1.60
DIESEL	
May 12	▼ P9.57
May 19	▲ P2.82
May 26	▲ P1.96
KEROSENE	
May 12	▼ P13.30
May 19	▼ P2.11
May 26	▲ P1.45

• May 26, 12:01 a.m. — Calltex Philippines
• May 26, 6 a.m. — Petron Corp.; Phoenix Petroleum; Shell Philippines Corp.; PTT Philippines Corp.; Seaoil Philippines, Inc.
• May 26, 8:01 a.m. — Cleanfuel (Shaw Autogas, Inc.)

Domestic goods trade falls 20% in Q1

By Isa Jane D. Acabal
Researcher

DOMESTIC TRADE in goods declined by 20% year on year in the first quarter, amid slower economic growth and supply-chain disruptions, analysts said.

Preliminary data from the Philippine Statistic Authority's Commodity Flow Survey showed the value of total domestic trade fell by 19.8% to P820.81 billion in the January-to-March period from P1.02 trillion in the same period in 2025.

By volume, domestic trade dropped by 35.3% to 10.17 mil-

lion tons in the first quarter from 15.72 million tons a year earlier.

The value of commodities transported by road reached P526.11 billion, accounting for 64.1% of the total. Goods transported by water were valued at P294.12 billion (35.8% share), while those transported by air were valued at P567.9 million (0.1% share).

"The sharp decline in domestic trade in goods in the first quarter appears to have been driven by a combination of weaker economic activity, lower agricultural and fisheries output, and supply-chain disruptions," Ateneo Center for

Economic Research and Development Senior Research Fellow Ser Percival K. Peña-Reyes said in a Viber message.

The Philippine economy grew by 2.8% in the first quarter of 2026, sharply slowing from the 5.4% expansion a year earlier and the 3% growth in the fourth quarter of 2025.

Marco Antonio C. Agonia, an economist at the University of Asia and the Pacific, also attributed the year-on-year decline in the value and volume of domestic trade to the subdued economic environment in the first three months of the year.

Domestic goods, SI/7

NGCP, PNP inspect affected line in Batangas

FOLLOWING a request from the National Grid Corporation of the Philippines (NGCP), the Philippine National Police (PNP), together with NGCP personnel, inspected the Ilijan-Tayabas 500-kV Line for a possible act of sabotage which led to the damage of the line's conductor. The NGCP reported that the line tripped in the morning of May 13 after the conductor between Towers 129 and 130 in Brgy. Haligue Silangan, Batangas City got severed. See full story on SI/7.

