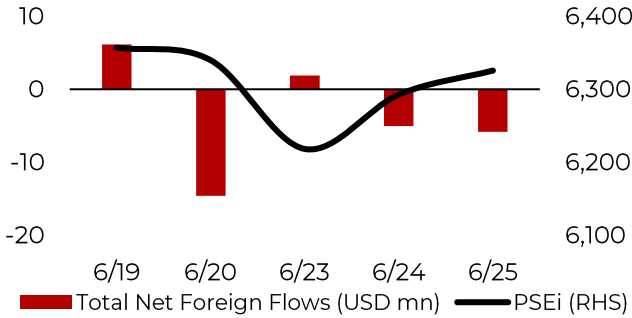


# The Morning View

June 26, 2025

## Philippine Stock Exchange Index

+0.52% DoD; Net foreign selling: \$5.84mn



	Level	DoD
PSEi	6,325.64	+0.52%
3-mo bond yield	5.48%	-0.61 bps
2-yr bond yield	5.71%	+0.23 bps
5-yr bond yield	5.95%	-0.84 bps
10-yr bond yield	6.34%	-4.14 bps
USDPHP	56.71	-0.79%
Oil (Brent, \$ / barrel)	67.68	+0.80%

**PH President Ferdinand Marcos, Jr. announced a pause in the fuel subsidy program for public utility vehicle drivers amid the tentative ceasefire between Israel and Iran.** Citing his meeting with the economic team, he stated that the impact of the Middle East conflict on the Philippines should be manageable.

**Manila Electric Co's (PSE Ticker: MER) generation arm, Meralco PowerGen Corp. (MGen), acquired an additional 5.01 billion shares of SP New Energy Corp.** The deal between MGen and Leandro Antonio L. Leviste is valued at Php6.26 billion. SPNEC, through its unit Terra Solar Philippines, Inc., is building a 3,500-megawatt-peak solar farm and a 4,500-megawatt-hour battery energy storage system.

**Local equities rose, local fixed income yields ended mixed, and the Philippine peso strengthened** as investors welcomed the fragile ceasefire between Iran and Israel. The Bureau of the Treasury (BTr) also made a partial award of the dual-tenor reissued T-bonds, with the 7Y raising its planned Php20 billion and the 25Y only raising Php15 billion.

The PSEi closed at 6,325.64 (+0.52% DoD).

On average, yields fell by 0.46 bps, with the 2Y closing at 5.71% (+0.23 bps) and the 10Y closing at 6.34% (-4.14 bps).

The USD/PHP pair closed at 56.71 (-0.79% DoD).

**Federal Reserve Chair Jerome Powell stated that the risk for more persistent inflation is large enough for the central bank to be careful in considering rate cuts.** He noted that the Fed wants more information about the ultimate level of tariffs and the way they impact pricing and public information, especially given that the size of Trump's tariffs has no "modern precedent."

**North Atlantic Treaty Organization (NATO) allies agreed to raise their defense spending to 5% of Gross Domestic Product by 2035, from previously 2%.** The 5% figure includes 3.5% spent on "pure" defense, with the remainder spent on critical infrastructure. Additionally, allies will be required to submit annual plans to ensure compliance with this commitment.

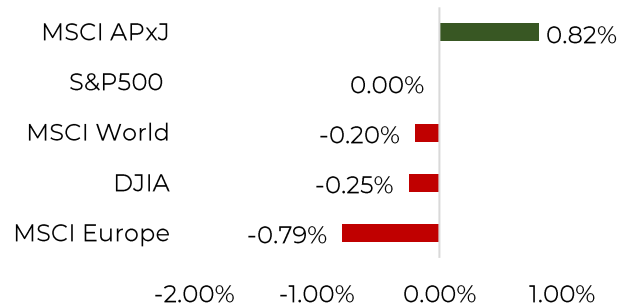
**US equities edged lower, US Treasury yields were mixed but inched up on average, and the US dollar weakened** as investors continued to monitor the fragile Israel-Iran ceasefire and weighed Fed Chair Powell's cautious remarks.

The S&P 500 closed at 6,092.16 (0.0% DoD), while the DJIA ended at 42,982.43 (-0.25% DoD).

On average, yields rose by 0.11 bps, with the 2Y closing at 3.79% (-4.20 bps) and the 10Y closing at 4.29% (-0.40 bps).

The DXY closed at 97.68 (-0.18% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	6,092.16	-0.00%
DJIA	42,982.43	-0.25%
3-mo US Treasury yield	4.30%	+1.80 bps
2-yr US Treasury yield	3.79%	-4.20 bps
5-yr US Treasury yield	3.85%	-1.40 bps
10-yr US Treasury yield	4.29%	-0.40 bps
DXY	97.68	-0.18%

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