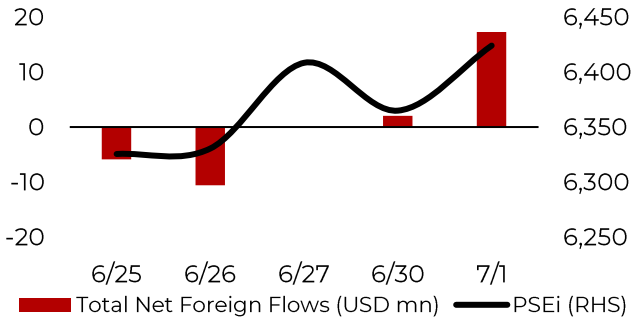


The Morning View

July 2, 2025

Philippine Stock Exchange Index

+0.93% DoD; Net foreign buying: \$17.22mn



	Level	DoD
PSEi	6,423.85	+0.93%
3-mo bond yield	5.49%	-0.23 bps
2-yr bond yield	5.72%	+0.89 bps
5-yr bond yield	5.94%	-0.11 bps
10-yr bond yield	6.24%	-3.32 bps
USDPHP	56.30	-0.05%
Oil (Brent, \$ / barrel)	67.11	-0.74%

The Department of Budget and Management (DBM) reported that government infrastructure spending declined to Php85.8 billion (-27.8% YoY) in April. The DBM said that this was attributable to the muted infrastructure spending of the Department of Public Works and Highways amid the ban on public spending during the election.

Ayala Land, Inc. (PSE Ticker: ALI) has acquired New World Makati Hotel. The acquisition will expand Ayala Land Hospitality's (ALH) portfolio of resorts and hotels. This is part of ALH's strategy to expand in high-growth urban centers.

Local equities rebounded from the previous day's drop amid net foreign buying. This was also amid the implementation of lower stock transaction tax and upbeat local manufacturing data for June. The PSEi closed at 6,423.85 (+0.93% DoD).

Local fixed income yields ended mixed and the **Philippine peso** slightly strengthened as traders weighed updates on US President Trump's tax and spending bill and the continued decline in global oil prices. This was also after the Bureau of the Treasury fully awarded its reissued 7Y bonds.

On average, yields fell by 0.76 bps, with the 2Y closing at 5.72% (+0.89 bps) and the 10Y closing at 6.24% (-3.32 bps).

The USD/PHP pair closed at 56.30 (-0.05% DoD).

US job openings unexpectedly rose by 374,000 to 7.77 million in May, driven by the leisure and hospitality sector. However, hiring declined by 112,000 to 5.50 million, which may signal a softening labor market amidst uncertainty over Trump's tariff and immigration policies.

The US Senate passed President Trump's tax-and-spending bill with a 51-50 vote. The bill will slash taxes, reduce social safety net programs, and boost military and immigration enforcement spending. The bill will now go through the approval of the House of Representatives before potentially being signed into law.

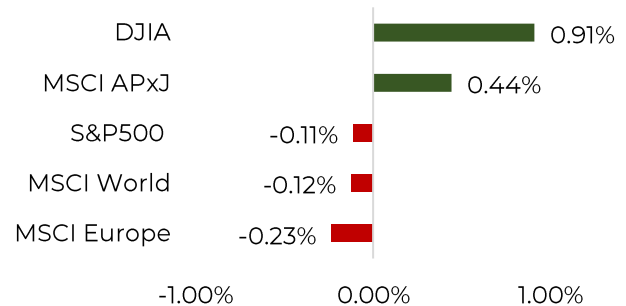
US equities closed mixed, **US Treasury yields** ended mixed, and the **US dollar** closed flat after the US Senate passed Trump's sweeping tax cut and spending bill. Investors also weighed the higher-than-expected job openings data in May, supporting the Fed's patience in cutting rates amid the labor market's resilience.

The S&P 500 closed at 6,198.01 (-0.11% DoD), while the DJIA ended at 44,494.94 (+0.91% DoD).

On average, yields fell by 0.99 bps, with the 2Y closing at 3.78% (+2.50 bps) and the 10Y closing at 4.24% (-3.70 bps).

The DXY closed at 96.82 (-0.06% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,198.01	-0.11%
DJIA	44,494.94	+0.91%
3-mo US Treasury yield	4.33%	+2.60 bps
2-yr US Treasury yield	3.78%	+2.50 bps
5-yr US Treasury yield	3.84%	+0.30 bps
10-yr US Treasury yield	4.24%	-3.70 bps
DXY	96.82	-0.06%

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