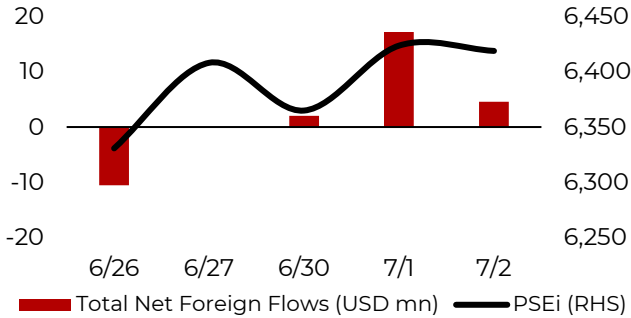


The Morning View

July 3, 2025

Philippine Stock Exchange Index

-0.07% DoD; Net foreign buying: \$4.58mn



	Level	DoD
PSEi	6,419.05	-0.07%
3-mo bond yield	5.46%	-2.57 bps
2-yr bond yield	5.73%	+0.19 bps
5-yr bond yield	5.95%	+0.87 bps
10-yr bond yield	6.25%	+0.45 bps
USDPHP	56.37	+0.12%
Oil (Brent, \$ / barrel)	69.11	+2.98%

The Philippine Statistics Authority (PSA) reported that wholesale price growth of general goods cooled to 3.5% YoY in May (Apr.: 4.0%), the slowest in three months. The downtrend was led by the slower rise in food prices, which was likely due to the wound down of the campaign period for the midterm elections.

Aboitiz Power Corp.'s (PSE Ticker: AP) subsidiary, Northern Sun Power, Inc., is eyeing to develop a Php18.6-billion solar power project in Currimao, Ilocos Norte, which is targeted for commercial operations by 1Q29. The project is expected to generate 351 megawatts (MW) of electricity and will feature a 337.8-MW battery system.

Local equities slightly declined, local fixed income yields ended mixed, and the Philippine peso weakened amid the market's growing concerns over US tariffs as the July 9 trade truce deadline looms and as Fed Chair Powell commented that the Fed could have cut rates already if it were not for the tariffs. Investors also looked ahead to the local headline inflation report to be released this week.

The PSEi closed at 6,419.05 (-0.07% DoD).

On average, yields fell by 0.86 bps, with the 2Y closing at 5.73% (+0.19 bps) and the 10Y closing at 6.25% (+0.45 bps).

The USD/PHP pair closed at 56.37 (+0.12% DoD).

US President Donald Trump announced a trade deal with Vietnam, lowering the tariff on exports to the US to 20% from 46% as announced last April 2. Moreover, trans-shipments from third countries through Vietnam will also face a 40% levy. Meanwhile, Vietnam would commit to providing a preferential market access for US goods, including large-engine cars.

US private payrolls unexpectedly fell by 33k in June (Revised May: 29k; Consensus: 98k), according to ADP. This marked the first net job losses since March 2023 and was driven by losses in the professional and business services, education and health services, and financial activities sectors.

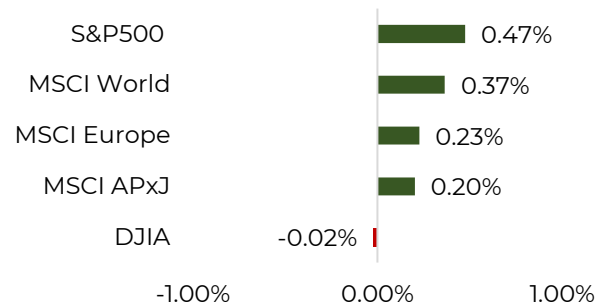
US equities ended mixed and the **US dollar** closed flat as investors digested the weaker-than-expected June ADP private payrolls report and the US-Vietnam trade deal.

The S&P 500 closed at a fresh high of 6,227.42 (+0.47% DoD), while the DJIA ended at 44,484.42 (-0.02% DoD).

The DXY closed at 96.78 (-0.04% DoD).

US Treasury yields rose as investors weighed the implications of Trump's tax cut and spending package, which was narrowly passed by the Senate. On average, yields rose by 2.20 bps, with the 2Y closing at 3.79% (+1.20 bps) and the 10Y closing at 4.28% (+3.70 bps).

Global Stock Indices



	Level	DoD
S&P 500	6,227.42	+0.47%
DJIA	44,484.42	-0.02%
3-mo US Treasury yield	4.34%	+0.70 bps
2-yr US Treasury yield	3.79%	+1.20 bps
5-yr US Treasury yield	3.87%	+3.10 bps
10-yr US Treasury yield	4.28%	+3.70 bps
DXY	96.78	-0.04%

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