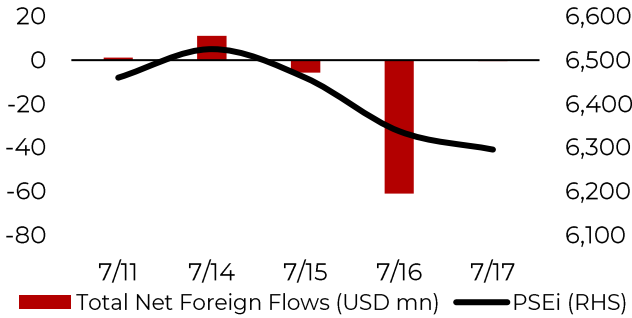


The Morning View

July 18, 2025

Philippine Stock Exchange Index

-0.66% DoD; Net foreign selling: \$0.43mn



	Level	DoD
PSEi	6,295.55	-0.66%
3-mo bond yield	5.45%	+1.55 bps
2-yr bond yield	5.75%	-0.18 bps
5-yr bond yield	6.01%	+0.46 bps
10-yr bond yield	6.27%	+0.69 bps
USDPHP	57.29	+0.36%
Oil (Brent, \$ / barrel)	69.52	+1.46%

The Bangko Sentral ng Pilipinas reported that the total resources of the Philippine financial system rose to Php34.1 trillion (+6.2% YoY) as of May. Economists attributed the increase in the total resources was due to the increase in banks' deposits, earnings, and capital, as well as faster loan growth.

Ayala Land, Inc.'s (PSE Ticker: ALI) Ayala Malls increased its mall renovation budget to Php17.5 billion. This marked an increase from Php13.0 billion from the start of the year. The redevelopment is part of Ayala Malls' plan to add over 700,000 square meters of gross leasable area in new locations over the next five years.

Local equities fell, local fixed income yields ended mixed, and the Philippine peso weakened as investors remained cautious amid lingering uncertainties surrounding global trade policies. This was also amid reports that US President Trump may fire Fed Chair Powell, raising concerns about the Fed's independence. Trump later denied the claims and said that it is highly unlikely that he'll fire the Fed chair.

The PSEi closed at 6,295.55 (-0.66% DoD).

On average, yields rose by 0.78 bps, with the 2Y closing at 5.75% (-0.18 bps) and the 10Y closing at 6.27% (+0.69 bps).

The USD/PHP pair closed at 57.29 (+0.36% DoD).

US retail sales rose by 0.6% MoM in June (May: -0.9%), above the market's expectations of 0.1%. The broad increase was also likely attributed to tariff-driven price increases. Gains were led by spending on automobiles, building materials and clothing, as well as restaurants and bars.

San Francisco Fed President Mary Daly said it is "reasonable" to expect two more 25-bp rate cuts this year, citing the muted effects of Trump's tariffs on inflation. Daly added that although inflation is still above the Fed's 2% target, keeping rates too high for too long could hurt the labor market.

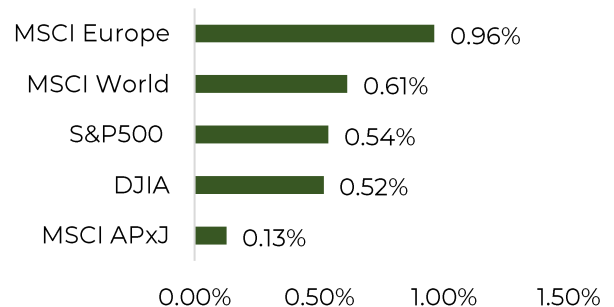
US equities rose on the back of a slew of better-than-expected 2Q25 corporate earnings reports, including PepsiCo and Taiwan Semiconductor. The S&P 500 closed at a fresh high of 6,297.36 (+0.54% DoD), while the DJIA ended at 44,484.49 (+0.52% DoD).

US Treasury yields were flat on average, and the **US dollar** strengthened after the below-consensus weekly jobless claims and the larger-than-expected rebound in retail sales in June reinforced bets that the Fed has room to wait before cutting interest rates.

On average, yields were flat, with the 2Y closing at 3.91% (+1.10 bps) and the 10Y closing at 4.46% (-0.40 bps).

The DXY closed at 98.73 (+0.35% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,297.36	+0.54%
DJIA	44,484.49	+0.52%
3-mo US Treasury yield	4.35%	+0.20 bps
2-yr US Treasury yield	3.91%	+1.10 bps
5-yr US Treasury yield	3.99%	-0.40 bps
10-yr US Treasury yield	4.46%	-0.40 bps
DXY	98.73	+0.35%

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