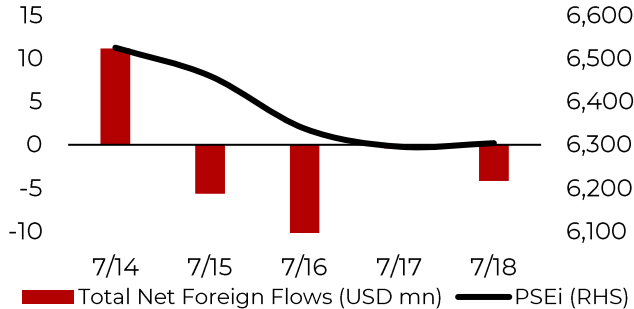


The Morning View

July 21, 2025

Philippine Stock Exchange Index

+0.13% DoD; Net foreign selling: \$4.21mn



Finance Secretary Ralph Recto said that the Philippines is open to lowering duties on selected US imports to zero as part of trade negotiations with the US. PH President Ferdinand Marcos Jr. departed for an official visit to the US, where he is scheduled to meet with US President Trump on July 22.

Globe Telecom, Inc. (PSE Ticker: GLO) joined the Asia United Gateway East project, which will develop an 8,900-kilometer submarine cable system to provide stronger global connectivity to local businesses. Expected to be completed by 2029, the cable system will link countries including Singapore, Japan, and the Philippines.

Local equities rebounded and the **Philippine peso** slightly strengthened amid hopes that the Philippines will be able to negotiate for lower tariffs with the US. The local bourse was also supported by bargain hunting after its three-day decline. Meanwhile, **local fixed income yields** ended mixed as the better-than-expected US weekly jobless claims and June retail sales data tempered expectations of future Fed rate cuts.

The PSEi closed at 6,303.72 (+0.13% DoD).

The USD/PHP pair closed at 57.15 (-0.25% DoD).

On average, yields rose by 0.23 bps, with the 2Y closing at 5.75% (-0.06 bps) and the 10Y closing at 6.27% (+0.49 bps).

	Level	DoD
PSEi	6,303.72	+0.13%
3-mo bond yield	5.45%	+0.40 bps
2-yr bond yield	5.75%	-0.06 bps
5-yr bond yield	6.00%	-0.20 bps
10-yr bond yield	6.27%	+0.49 bps
USD/PHP	57.15	-0.25%
Oil (Brent, \$ / barrel)	69.28	-0.35%

University of Michigan's US Consumer Sentiment Index improved to 61.8 in July (June: 60.7), above market's expectation of 61.5. The uptick was attributed to consumers' lower one-year inflation expectation of 4.4% (June: 5.0%) and five-year inflation expectation of 3.6% (June: 4.0%).

Chicago Fed President Austan Goolsbee said that new tariff announcements could delay rate cuts. He stated that the constant rollout of tariffs challenges the idea of a one-time impact on prices. Goolsbee added that because of the lack of clarity, the Fed will need more time to decide if rate cuts are appropriate.

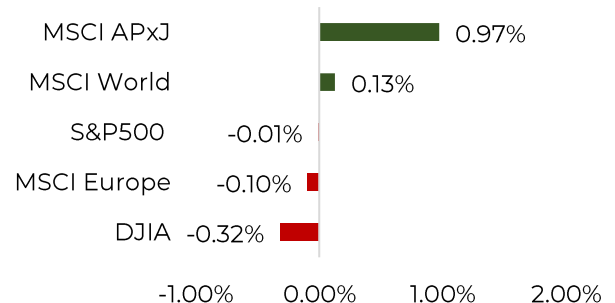
US equities fell following a report by the Financial Times that Trump is pushing for a minimum tariff rate of 15%-20% in any deal with the European Union. The S&P 500 closed at 6,296.79 (-0.01% DoD), while the DJIA ended at 44,342.19 (-0.32% DoD).

US Treasury yields ended lower, and the **US dollar** weakened after the University of Michigan's July consumer survey showed a drop in one- and five-year inflation expectations.

On average, yields fell by 2.47 bps, with the 2Y closing at 3.87% (-3.40 bps) and the 10Y closing at 4.42% (-3.50 bps).

The DXY closed at 98.48 (-0.26% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,296.79	-0.01%
DJIA	44,342.19	-0.32%
3-mo US Treasury yield	4.35%	+0.10 bps
2-yr US Treasury yield	3.87%	-3.40 bps
5-yr US Treasury yield	3.95%	-4.20 bps
10-yr US Treasury yield	4.42%	-3.50 bps
DXY	98.48	-0.26%

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