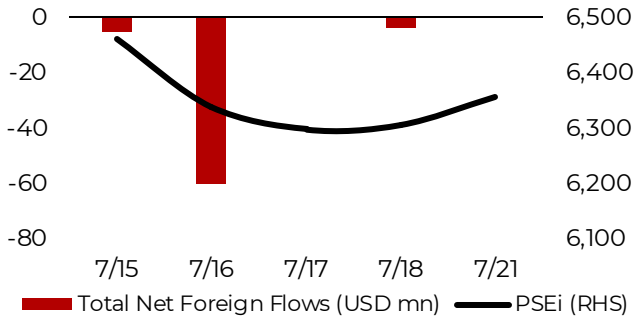


The Morning View

July 22, 2025

Philippine Stock Exchange Index

+0.78% DoD; Net foreign selling: \$0.64mn



| | Level | DoD |
|--------------------------|----------|-----------|
| PSEi | 6,352.74 | +0.78% |
| 3-mo bond yield | 5.44% | -1.18 bps |
| 2-yr bond yield | 5.74% | -1.01 bps |
| 5-yr bond yield | 6.00% | -0.06 bps |
| 10-yr bond yield | 6.28% | +0.46 bps |
| USDPHP | 57.18 | +0.05% |
| Oil (Brent, \$ / barrel) | 69.21 | -0.10% |

Finance Secretary Ralph Recto said that the Bangko Sentral ng Pilipinas has room to cut rates by 50 bps more this year despite global uncertainties. He noted that he is in favor of a 25-bp cut as early as August and said that policy easing is still possible even if the Fed holds rates steady, depending on external developments.

First Gen Corp.'s (PSE Ticker: FGEN) subsidiary, Fresh River Lakes Corp. (FRLC), secured a Php15 billion loan from major banks to support its general corporate requirements. The proceeds of the loan will be used for the operations of FRLC's 165-megawatt Casecan hydroelectric plant. The loan was signed with BDO Unibank, Inc., Bank of the Philippine Islands, and Rizal Commercial Banking Corp.

Local equities inched up amid bargain hunting, and the **Philippine peso** closed flat as investors awaited updates on trade negotiations with the US ahead of the August 1 deadline. Meanwhile, **local fixed income yields** ended mixed as investors digested news that the Bureau of the Treasury is eyeing to raise Php200 billion through a retail treasury bond offering in 3Q25.

The PSEi closed at 6,352.74 (+0.78% DoD).

On average, yields fell by 0.25 bps, with the 2Y closing at 5.74% (-1.01 bps) and the 10Y closing at 6.28% (+0.46 bps).

The USD/PHP pair closed at 57.18 (+0.05% DoD).

Conference Board US Leading Economic Index (LEI) fell by 0.3% MoM to 98.8 in June (May Revised: 99.1), in-line with market's expectations. The decline was attributed to the persistently low consumer expectations and the weaker six-month economic growth outlook. This was partially offset by higher stock prices.

European Union (EU) diplomats stated that the EU is looking into counter tariffs against the US as acceptable trade talks fade. The European Commission appeared on course for a 10% US tariff on most of its exports, however US President Donald Trump has recently threatened to impose a 30% tariff by August 1.

US equities were mixed as investors looked ahead to 2Q25 results of Alphabet and Tesla, which will kick off the earnings season for the Magnificent 7. The S&P 500 closed at a record high of 6,305.60 (+0.14% DoD), while the DJIA ended at 44,323.07 (-0.04% DoD).

US Treasury yields fell, and the **US dollar** weakened amid concerns over the slower six-month US growth outlook highlighted by Conference Board's June LEI report and the renewed trade frictions between the US and EU. Investors are also awaiting Fed Chair Powell's speech this week.

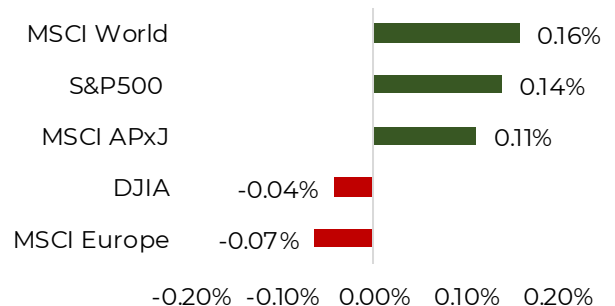
On average, yields fell by 2.31 bps, with the 2Y closing at 3.86% (-1.00 bps) and the 10Y closing at 4.38% (-4.00 bps).

The DXY closed at 97.85 (-0.64% DoD).

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Global Stock Indices



| | Level | DoD |
|-------------------------|-----------|-----------|
| S&P 500 | 6,305.60 | +0.14% |
| DJIA | 44,323.07 | -0.04% |
| 3-mo US Treasury yield | 4.33% | -1.30 bps |
| 2-yr US Treasury yield | 3.86% | -1.00 bps |
| 5-yr US Treasury yield | 3.92% | -3.00 bps |
| 10-yr US Treasury yield | 4.38% | -4.00 bps |
| DXY | 97.85 | -0.64% |