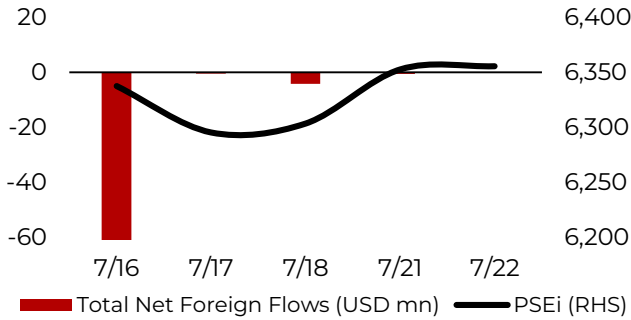


The Morning View

July 23, 2025

Philippine Stock Exchange Index

+0.05% DoD; Net foreign selling: \$0.26mn



	Level	DoD
PSEi	6,355.69	+0.05%
3-mo bond yield	5.42%	-2.04 bps
2-yr bond yield	5.73%	-0.66 bps
5-yr bond yield	6.01%	+0.73 bps
10-yr bond yield	6.28%	+0.32 bps
USDPHP	57.05	-0.22%
Oil (Brent, \$ / barrel)	68.59	-0.90%

US President Donald Trump announced a tariff rate of 19% on PH exports to the US, below the 20% rate announced earlier this month but higher than the initial 17% set in April. This matches the 19% rate announced for Indonesia and bests the slightly higher rate of 20% for Vietnam. In return, the Philippines lifted tariffs on specific US exports to the country, such as automobiles.

Manila Electric Co.'s (PSE Ticker: MER) credit rating from S&P Global Ratings was affirmed at "BBB". Additionally, S&P revised MER's outlook to "positive" from "stable", citing expectations of improved business integration and project execution in power generation.

Local equities closed flat ahead of the bilateral talks between the Philippines and the US. This was also amid muted trading due to the inclement weather. The PSEi closed at 6,355.69 (+0.05% DoD).

Local fixed income yields ended mixed after the Bureau of the Treasury fully awarded Php20 billion of its 3Y reissued T-bonds at an average rate of 5.817%. On average, yields rose by 0.13 bps, with the 2Y closing at 5.73% (-0.66 bps) and the 10Y closing at 6.28% (+0.32 bps).

The **Philippine peso** strengthened amid the broad weakening of the dollar as US Treasury Secretary Bessent's call for an internal review of the Fed sparked concerns over the US central bank's independence. The USD/PHP pair closed at 57.05 (-0.22% DoD).

US President Donald Trump announced a trade deal with Japan, reducing the tariff rate from 25% to 15%. The deal includes \$550-billion worth of Japanese investments into the US, and increased market access to American goods such as cars, trucks, rice, and certain agricultural products.

US Treasury Secretary Scott Bessent said that US and China will meet next week to discuss an extension of the August 12 deadline for trade deal negotiations. So far, China lifted its export ban on rare earths and magnets, while the US approved shipments of chip software, production materials, and aircraft engines.

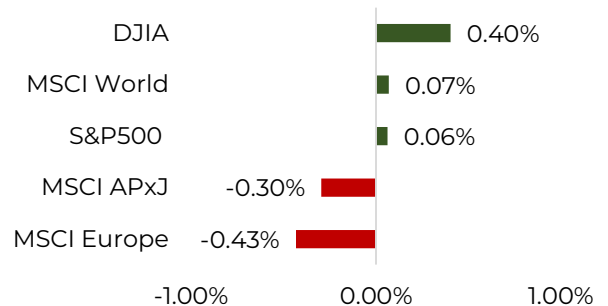
US equities rose, **US Treasury yields** edged lower, and the **US dollar** weakened as the market assessed several trade developments. This includes the potential extension of the deadline for trade negotiations with China, and the concluded trade deal with the Philippines. Investors are also turning their attention to the policy decision of the Federal Reserve next week.

The S&P 500 closed at a fresh high of 6,309.62 (+0.06% DoD), while the DJIA ended at 44,502.44 (+0.40% DoD).

On average, yields fell by 2.44 bps, with the 2Y closing at 3.84% (-2.70 bps) and the 10Y closing at 4.35% (-3.20 bps).

The DXY closed at 97.39 (-0.47% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,309.62	+0.06%
DJIA	44,502.44	+0.40%
3-mo US Treasury yield	4.33%	-0.80 bps
2-yr US Treasury yield	3.84%	-2.70 bps
5-yr US Treasury yield	3.89%	-3.10 bps
10-yr US Treasury yield	4.35%	-3.20 bps
DXY	97.39	-0.47%

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