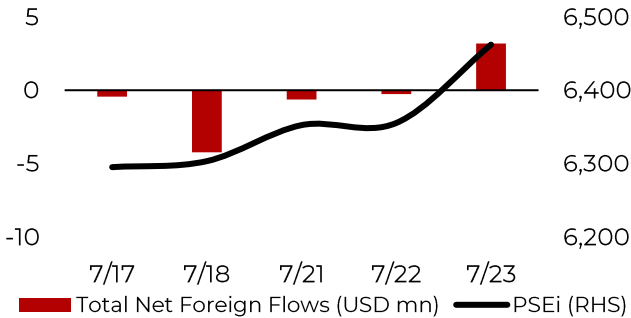


The Morning View

July 24, 2025

Philippine Stock Exchange Index

+1.68% DoD; Net foreign buying: \$3.19mn



	Level	DoD
PSEi	6,462.25	+1.68%
3-mo bond yield	5.42%	-0.08 bps
2-yr bond yield	5.72%	-1.07 bps
5-yr bond yield	5.99%	-1.68 bps
10-yr bond yield	6.26%	-2.36 bps
USDPHP	56.88	-0.30%
Oil (Brent, \$ / barrel)	68.51	-0.12%

The Asian Development Bank (ADB) and ASEAN+3 Macroeconomic Research Office (AMRO) downgraded their Philippine economic growth projections for 2025 and 2026. ADB lowered its growth forecast to 5.6% for 2025 (from 6%) and 5.8% in 2026 (from 6.1%). Meanwhile, AMRO also cut its forecast to 5.6% for 2025 (from 6.3%) and 5.5% for 2026 (from 6.3%). The agencies attributed the downgrade to the expectations of reduced exports amid higher US tariffs and global trade uncertainty.

International Container Terminal Services, Inc. (PSE Ticker: ICT) raised its stake in Brazil port property holder Inhaúma Fundo De Investimento Imobiliário – FII (FII Inhaúma) to 73%. ICT increased its stake in FII Inhaúma from 47% through its wholly owned subsidiary ICTSI Americas BV. FII Inhaúma's property is adjacent to ICT's Rio Brazil terminal and will be used for its future expansion.

Local equities jumped, **local fixed income yields** fell, and the **Philippine peso** strengthened after the Philippines secured a slightly lower 'reciprocal' tariff of 19% from the US. Markets also cheered the trade deal between the US and Japan.

The PSEi closed at 6,462.25 (+1.68% DoD).

On average, yields fell by 1.36 bps, with the 2Y closing at 5.72% (-1.07 bps) and the 10Y closing at 6.26% (-2.36 bps).

The USD/PHP pair closed at 56.88 (-0.30% DoD).

US existing home sales fell more than expected by 2.7% MoM in June (May Revised: +1.0%; Consensus: -0.7%), marking the lowest level since August 2024. The decline was attributed to higher mortgage rates and continued economic uncertainty, pushing home buyers on the sidelines.

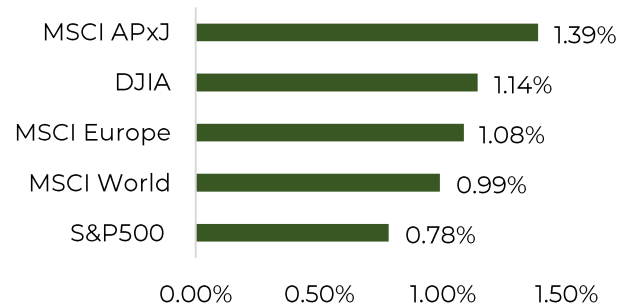
European Commission officials said that the European Union (EU) may be granted a baseline tariff rate of 15% on its exports into the US, lower than the initial 30%. However, if a trade deal is not reached, EU plans to impose counter-tariffs of 93 billion euros.

US equities rose on global trade optimism after the US completed a trade deal with Japan, reducing the tariff rate from 25% to 15%. This was also after Trump announced that the US is meeting with European officials to reach a trade deal with the EU. The S&P 500 closed at a record high of 6,358.91 (+0.78% DoD), while the DJIA ended at 45,010.29 (+1.14% DoD).

US Treasury yields rose after US Treasury Secretary Bessent's remark that Fed Chair Powell does not need to resign eased market jitters over instability of the Fed. On average, yields rose by 2.86 bps, with the 2Y closing at 3.88% (+4.60 bps) and the 10Y closing at 4.39% (+3.80 bps).

The **US dollar** weakened as the US-Japan trade deal boosted risk-on sentiment. The DXY closed at 97.21 (-0.18% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,358.91	+0.78%
DJIA	45,010.29	+1.14%
3-mo US Treasury yield	4.35%	+2.80 bps
2-yr US Treasury yield	3.88%	+4.60 bps
5-yr US Treasury yield	3.93%	+4.70 bps
10-yr US Treasury yield	4.39%	+3.80 bps
DXY	97.21	-0.18%

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