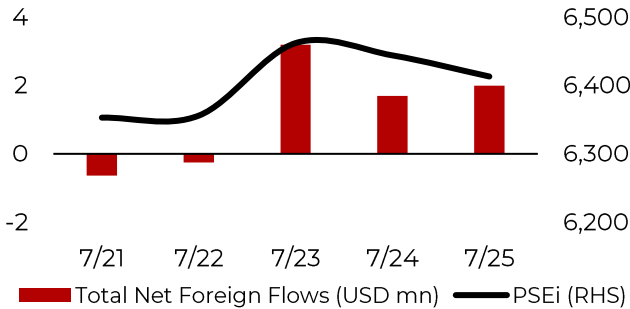


# The Morning View

July 28, 2025

## Philippine Stock Exchange Index

-0.48% DoD; Net foreign buying: \$1.99mn



	Level	DoD
PSEi	6,413.18	-0.48%
3-mo bond yield	5.41%	-0.55 bps
2-yr bond yield	5.70%	-0.60 bps
5-yr bond yield	5.97%	-0.53 bps
10-yr bond yield	6.24%	-0.41 bps
USDPHP	57.11	+0.81%
Oil (Brent, \$ / barrel)	68.44	-1.07%

**The Bureau of the Treasury (BTr) reported that the National Government's (NG) gross borrowing rose to Php263.99 billion (+78.16% YoY) in June, driven by higher domestic and foreign debt.** Gross external debt increased to Php96.41 billion (+514.09%), while gross domestic debt grew to Php167.58 billion (+26.50%). As of 1H25, gross borrowing rose to Php1.59 trillion (+1.33% YoY).

**Manila Electric Co.'s (PSE Ticker: MER) Chief Executive Officer Manuel Pangilinan said he expects FY25 earnings to be higher than Php45.1 billion in FY24.** He added that he hopes the listing of MGen Renewable Energy, Inc., through a backdoor listing via SP New Energy Corp., will proceed within the year.

**Local equities** declined amid investors' profit-taking and cautious trading ahead of President Marcos' State of the Nation Address today. The PSEi closed at 6,413.18 (-0.48% DoD).

**Local fixed income yields** slightly fell ahead of the BTr's Php20 billion reissuance of 20Y T-bonds and the US Fed's policy decision this week. On average, yields fell by 0.39 bps, with the 2Y closing at 5.70% (-0.60 bps) and the 10Y closing at 6.24% (-0.41 bps).

The **Philippine peso** weakened as investors digested the below-consensus jobless claims and higher-than-anticipated business activity data in the US, which tempered bets that the Fed could cut sooner. This was also amid the seasonal increase in importation activities. The USD/PHP pair closed at 57.11 (+0.81% DoD).

**The US and the European Union (EU) struck a framework trade agreement, including a 15% import tariff on most EU goods.** The EU will also invest \$600 billion in the US and increase its purchases of US energy and military equipment. Lastly, the US maintained its 50% tariffs on steel and aluminum.

**US core capital goods unexpectedly fell by 0.7% MoM in June (Revised May: +2.0%; Consensus: +0.1%).** This was likely attributable to the uncertainty over where tariff levels will settle, which caused some businesses to hold off on capital expenditures.

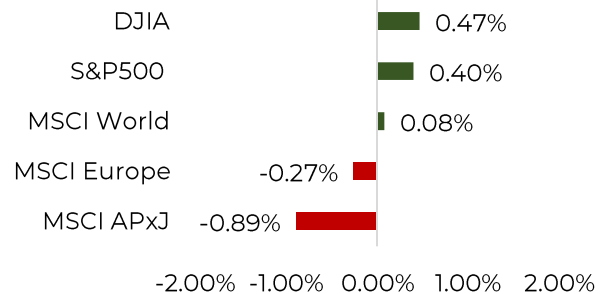
**US equities** rose to new record highs, and **US Treasury yields** were a little changed as investors continued to monitor global trade negotiations. The market also turned optimistic after EU President Ursula von der Leyen announced a meeting with US President Donald Trump over the weekend.

The S&P 500 closed at a record high of 6,388.64 (+0.40% DoD), while the DJIA ended at 44,901.92 (+0.47% DoD).

On average, yields fell by 0.08 bps, with the 2Y closing at 3.93% (+0.90 bps) and the 10Y closing at 4.39% (-0.80 bps).

The **US dollar** strengthened as markets continued to digest the lower-than-anticipated jobless claims, supporting bets of a rate pause in the Fed's upcoming meeting. The DXY closed at 97.65 (+0.28% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	6,388.64	+0.40%
DJIA	44,901.92	+0.47%
3-mo US Treasury yield	4.36%	+0.10 bps
2-yr US Treasury yield	3.93%	+0.90 bps
5-yr US Treasury yield	3.96%	-0.20 bps
10-yr US Treasury yield	4.39%	-0.80 bps
DXY	97.65	+0.28%

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