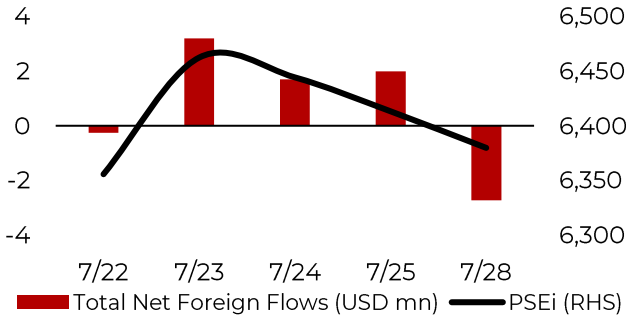


The Morning View

July 29, 2025

Philippine Stock Exchange Index

-0.52% DoD; Net foreign selling: \$2.73mn



	Level	DoD
PSEi	6,379.75	-0.52%
3-mo bond yield	5.42%	+1.26 bps
2-yr bond yield	5.70%	+0.11 bps
5-yr bond yield	5.97%	-0.03 bps
10-yr bond yield	6.22%	-2.59 bps
USDPHP	57.20	+0.16%
Oil (Brent, \$ / barrel)	70.04	+2.34%

Bangko Sentral ng Pilipinas (BSP) Governor Eli Remolona said that the central bank is on course to implement two more 25-bp rate cuts this year. He emphasized that the weaker-than-expected economic growth and better-than-projected inflation would be key triggers for a potential rate cut as early as the August 28 policy meeting.

Manila Electric Co. (PSE Ticker: MER) reported a consolidated core net income of Php25.54 billion (+10% YoY) for 1H25. The main drivers of growth were (1) steady power sales volumes from the company's distribution utility and electricity supply businesses, and (2) growing contributions from its generation arm, Meralco Powergen Corporation.

Local equities fell as investors awaited cues from President Marcos' fourth State of the Nation Address, which happened after the market's close. The PSEi closed at 6,379.75 (-0.52% DoD).

Local fixed income yields ended mixed, and the **Philippine peso** weakened as investors looked ahead to the US Fed's two-day policy meeting this week. Analysts expect the Fed to leave the Fed funds rate unchanged at the 4.25-4.50% range.

On average, yields rose by 0.45 bps, with the 2Y closing at 5.70% (+0.11 bps) and the 10Y closing at 6.22% (-2.59 bps).

The USD/PHP pair closed at 57.20 (+0.16% DoD).

US President Donald Trump said that he plans to impose a "world tariff" that will range from 15% to 20% on trading partners that did not negotiate separate trade deals. This was higher compared to the 10% baseline universal tariff set last April. Trump's comment came days before his August 1 deadline, as several countries have not reached a trade deal yet with the US.

The US and China met in Stockholm to resolve trade disputes, potentially resulting in a three-month extension to the tariff deadline. China's deadline to reach a trade deal with the US before the original 145% tariffs will be implemented is on August 12.

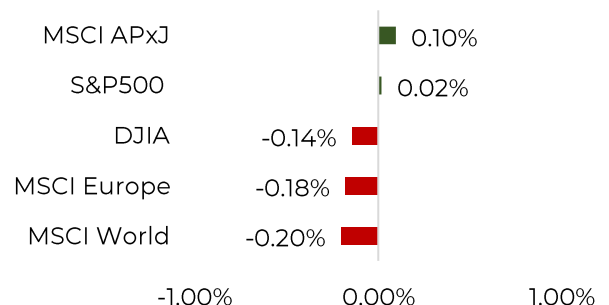
US equities ended mixed, **US Treasury yields** inched up, and the **US dollar** strengthened after the US and European Union (EU) announced a framework trade agreement featuring 15% tariffs on EU goods. Investors also looked ahead to the Federal Reserve's policy decision this week.

The S&P 500 closed at a fresh high of 6,389.77 (+0.02% DoD), while the DJIA ended at 44,837.56 (-0.14% DoD).

On average, yields rose by 1.22 bps, with the 2Y closing at 3.93% (+0.30 bps) and the 10Y closing at 4.41% (+2.20 bps).

The DXY closed at 98.63 (+1.01% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,389.77	+0.02%
DJIA	44,837.56	-0.14%
3-mo US Treasury yield	4.34%	-1.30 bps
2-yr US Treasury yield	3.93%	+0.30 bps
5-yr US Treasury yield	3.97%	+1.20 bps
10-yr US Treasury yield	4.41%	+2.20 bps
DXY	98.63	+1.01%

This material, which is strictly for information purposes only, is for your sole use, does not constitute a recommendation or an offer to sell or a solicitation to buy any financial product. Any information is subject to change without notice and BPI Wealth is not under any obligation to update or keep current the information contained herein. You are advised to make your own independent judgment with respect to the matter contained in this document. No liability whatsoever is accepted for any loss that may arise (whether direct or consequential) from any use of the information contained herein.

All funds managed by BPI Wealth are Trust and/or Investment Management Funds, which do not carry any guarantee of income or principal, and are NOT covered by the Philippine Deposit Insurance Corporation. Past performance is not a guarantee of future results. BPI Wealth Investment Funds are valued daily using the marked-to-market method.