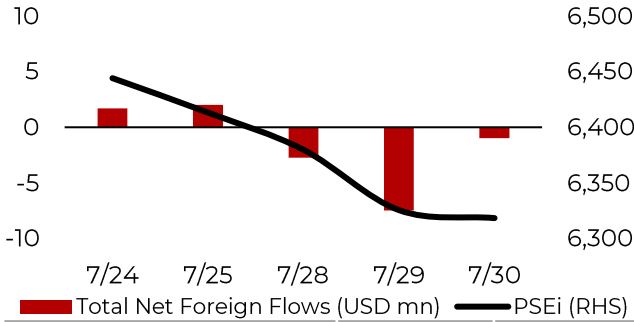


The Morning View

July 31, 2025

Philippine Stock Exchange Index

-0.11% DoD; Net foreign selling: \$0.99mn



	Level	DoD
PSEi	6,318.23	-0.11%
3-mo bond yield	5.40%	-3.72 bps
2-yr bond yield	5.69%	-0.96 bps
5-yr bond yield	5.93%	-1.06 bps
10-yr bond yield	6.21%	-1.33 bps
USD/PHP	57.58	+0.47%
Oil (Brent, \$ / barrel)	73.24	+1.01%

The Bureau of the Treasury (BTr) reported that the National Government's outstanding debt rose to a new record high of Php17.27 trillion (+11.5% YoY). Domestic debt increased to Php11.95 trillion (+13.0% YoY), while external debt grew to Php5.32 trillion (+8.3% YoY). The BTr stated that the outstanding debt remains sustainable despite hitting a new high.

Manila Electric Co. (PSE Ticker: MER) signed a memorandum of understanding with Vietnamese firm V-Green Global Charging Station Development Corp. and ride-hailing company Green and Smart Mobility Joint Stock Co. The future partnership will help identify and evaluate sites for electric vehicle (EV) charging stations and support the rollout of EVs in Southeast Asia.

Local equities ended lower on cautious trading as investors awaited further developments on global trade ahead of the August 1 tariff deadline. The PSEi closed at 6,318.23 (-0.11% DoD).

Local fixed income yields fell after Bangko Sentral ng Pilipinas Governor Remolona signaled that a policy rate cut was on the table at the Monetary Board's meeting in August. On average, yields fell by 1.28 bps, with the 2Y closing at 5.69% (-0.96 bps) and the 10Y closing at 6.21% (-1.33 bps).

The **Philippine peso** weakened as the US dollar strengthened amid expectations of a pick-up in the 2Q25 US economic growth and a Fed rate pause. The USD/PHP pair closed at 57.58 (+0.47% DoD).

US Gross Domestic Product (GDP) grew by an annualized rate of 3.0% QoQ in 2Q25 (Revised 1Q25: -0.5%; Consensus: +2.6%). The rebound was attributable to the smaller trade deficit after a 30.3% decline in imports. Consumer spending also slightly recovered, rising by 1.4% after the subdued 0.5% growth in March.

The US Federal Reserve kept policy rates unchanged at the 4.25%-4.50% range. Fed Chair Powell said that the central bank has room to hold rates steady to wait and see the tariffs' effect on inflation. Moreover, the Fed's policy statement mentioned that "unemployment remains low, labor market conditions remain solid, and inflation remains somewhat elevated".

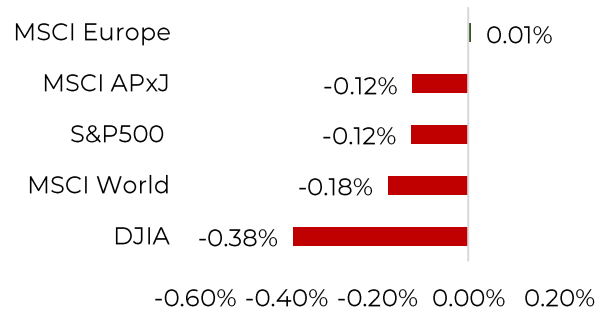
US equities fell, **US Treasury yields** climbed, and the **US dollar** strengthened following the Fed's decision to hold policy rates steady. Investors also weighed the stronger-than-expected US GDP growth in 2Q25, which supported the Fed's cautious approach and reinforced its stance of waiting for further data before cutting rates.

The S&P 500 closed at 6,362.90 (-0.12% DoD), while the DJIA ended at 44,461.28 (-0.38% DoD).

On average, yields rose by 4.25 bps, with the 2Y closing at 3.95% (+7.40 bps) and the 10Y closing at 4.37% (+5.20 bps).

The DXY closed at 99.82 (+0.94% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,362.90	-0.12%
DJIA	44,461.28	-0.38%
3-mo US Treasury yield	4.35%	-0.10 bps
2-yr US Treasury yield	3.95%	+7.40 bps
5-yr US Treasury yield	3.97%	+6.40 bps
10-yr US Treasury yield	4.37%	+5.20 bps
DXY	99.82	+0.94%

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