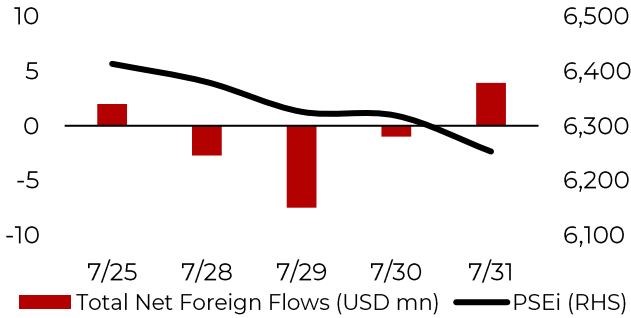


The Morning View

August 1, 2025

Philippine Stock Exchange Index

-1.04% DoD; Net foreign buying: \$3.93mn



	Level	DoD
PSEi	6,252.73	-1.04%
3-mo bond yield	5.41%	+1.71 bps
2-yr bond yield	5.69%	+0.35 bps
5-yr bond yield	5.94%	+0.81 bps
10-yr bond yield	6.20%	-1.19 bps
USDPHP	58.32	+1.29%
Oil (Brent, \$ / barrel)	72.53	-0.97%

The Bangko Sentral ng Pilipinas (BSP) expects headline inflation to settle within 0.5% to 1.3% YoY in July (June: 1.4%). The BSP attributed the slowdown to a continued decline in rice prices. Upside pressures for the month may come from higher meat and vegetable prices due to unfavorable weather conditions

Globe Telecom, Inc. (PSE Ticker: GLO) completed the transfer of 96 towers to MIESCOR Infrastructure Development Corp. (MIDC) and Phil-Tower Consortium, Inc. (PhilTower) for Php1.34 billion. This brings the total number of towers transferred to MIDC and Philtower to 1,725 and 1,244, respectively. In total, the number of towers turned over is 6,945, which generated Php89.3 billion.

Local equities declined to a one-month low, **local fixed income yields** fell, and the **Philippine peso** weakened as investors digested the decision of the US Federal Reserve to keep rates unchanged at the 4.25-4.50% range. Markets also remained cautious amid global trade uncertainties ahead of the August 1 deadline.

The PSEi closed at 6,252.73 (-1.04% DoD).

On average, yields rose by 0.40 bps, with the 2Y closing at 5.69% (+0.35 bps) and the 10Y closing at 6.20% (-1.19 bps).

The USD/PHP pair closed at 58.32 (+1.29% DoD).

US core Personal Consumption Expenditures (PCE) inflation was steady at 2.8% YoY in June (May: 2.8%) but was faster than the expectation of 2.7%. This was driven by higher goods prices, as tariffs boosted prices for imported products. Meanwhile, services costs also increased, led by health care and financial services.

US President Donald Trump signed an executive order to update the tariff rates of several countries, ranging from 10% to 41%, effective 7 days from the date of signing. Moreover, a 10% base rate tariff was set for countries with no trade agreement and a 40% tariff will also be imposed on transshipments.

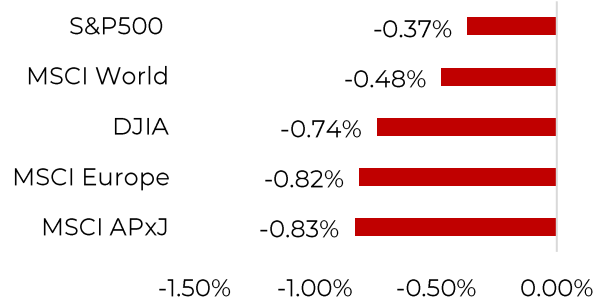
US equities fell and **US Treasury yields** inched up after the June core PCE inflation, the Fed's preferred inflation gauge, came in faster-than-expected. Investors also positioned ahead of Trump's August 1 tariff deadline.

The S&P 500 closed at 6,339.39 (-0.37% DoD), while the DJIA ended at 44,130.98 (-0.74% DoD).

On average, yields rose by 0.58 bps, with the 2Y closing at 3.96% (+1.40 bps) and the 10Y closing at 4.38% (+0.40 bps).

The **US dollar** strengthened as investors digested the marginal increase in the weekly initial jobless claims, which signals a steady labor market. The DXY closed at 99.97 (+0.15% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,339.39	-0.37%
DJIA	44,130.98	-0.74%
3-mo US Treasury yield	4.35%	-0.30 bps
2-yr US Treasury yield	3.96%	+1.40 bps
5-yr US Treasury yield	3.97%	+0.90 bps
10-yr US Treasury yield	4.38%	+0.40 bps
DXY	99.97	+0.15%

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