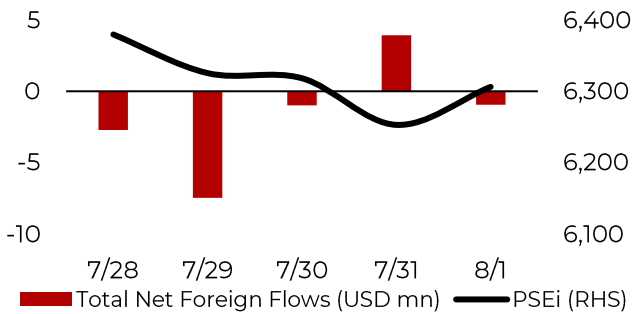


The Morning View

August 4, 2025

Philippine Stock Exchange Index

+0.85% DoD; Net foreign selling: \$0.94mn



	Level	DoD
PSEi	6,306.13	+0.85%
3-mo bond yield	5.42%	+0.05 bps
2-yr bond yield	5.71%	+1.93 bps
5-yr bond yield	5.97%	+3.08 bps
10-yr bond yield	6.20%	+0.53 bps
USD/PHP	58.15	-0.30%
Oil (Brent, \$ / barrel)	69.67	-3.94%

According to a BusinessWorld poll, analysts expect Philippine consumer price index (CPI) inflation to ease to a near six-year low of 1.2% YoY in July. The expectation of slower inflation was due to softer food and fuel prices. This may also be attributed to high base effects as inflation hit 4.4% in the same period last year, the highest print in 2024.

Manila Electric Co.'s (PSE Ticker: MER) power generation arm Meralco PowerGen Corp. announced plans to deliver 10,346 megawatts (MW) of net sellable capacity and 5,288 MW of attributable capacity over the next 5 years. This would double the current sellable capacity of 5,068 MW and attributable capacity of 2,559 MW.

Local equities rose and **local fixed income yields** inched higher as investors positioned ahead of the release of the local inflation print for July and the gross domestic product growth for 2Q25.

The PSEi closed at 6,306.13 (+0.85% DoD).

On average, yields rose by 1.30 bps, with the 2Y closing at 5.71% (+1.93 bps) and the 10Y closing at 6.20% (+0.53 bps).

The **Philippine peso** strengthened ahead of the release of key jobs data in the US, including nonfarm payrolls and unemployment rate in July. The USD/PHP pair closed at 58.15 (-0.30% DoD).

US nonfarm payrolls rose by 73,000 in July but were short of the market's expectation of 104,000. Job additions were led by the health care and social assistance sectors. Additionally, the May and June reports were revised down sharply to 19,000 (from 144,000) and 14,000 (from 147,000), respectively. Meanwhile, unemployment rate edged higher to 4.2% in July (June: 4.1%; Consensus: 4.2%).

US Institute for Supply Management (ISM) Manufacturing Purchasing Managers' Index (PMI) unexpectedly dropped to 48.0 in July (June: 49.0; Consensus: 49.5). The decline was attributed to employment falling to a five-year low "due to uncertain near- to mid-term demand." Meanwhile, new orders improved but remained in contractionary territory.

US equities fell, **US Treasury yields** dropped, and the **US dollar** weakened after the announcement of US President Donald Trump's executive order for reciprocal tariffs last July 31. Investors also weighed the weaker-than-expected nonfarm payrolls data and the rise in unemployment rate.

The S&P 500 closed at 6,238.01 (-1.60% DoD), while the DJIA ended at 43,588.58 (-1.23% DoD).

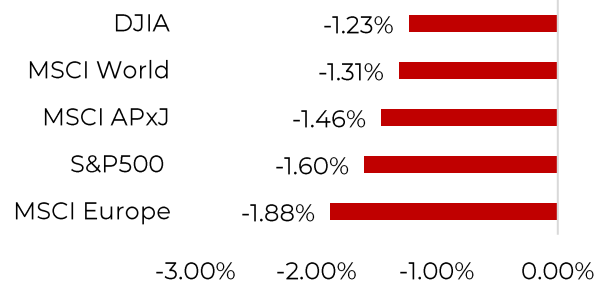
On average, yields fell by 14.33 bps, with the 2Y closing at 3.69% (-27.30 bps) and the 10Y closing at 4.22% (-15.80 bps).

The DXY closed at 99.14 (-0.83% DoD).

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Global Stock Indices



	Level	DoD
S&P 500	6,238.01	-1.60%
DJIA	43,588.58	-1.23%
3-mo US Treasury yield	4.29%	-5.10 bps
2-yr US Treasury yield	3.69%	-27.30 bps
5-yr US Treasury yield	3.76%	-21.50 bps
10-yr US Treasury yield	4.22%	-15.80 bps
DXY	99.14	-0.83%