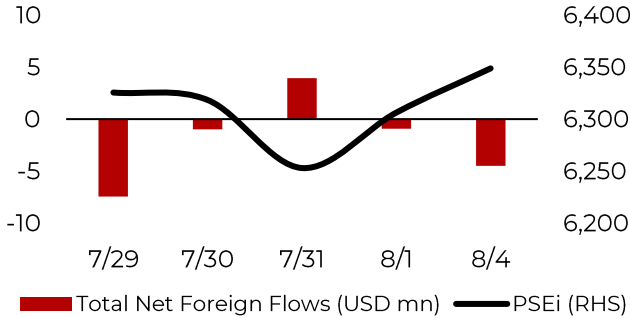


The Morning View

August 5, 2025

Philippine Stock Exchange Index

+0.67% DoD; Net foreign selling: \$4.50mn



	Level	DoD
PSEi	6,348.65	+0.67%
3-mo bond yield	5.41%	-0.40 bps
2-yr bond yield	5.69%	-1.88 bps
5-yr bond yield	5.95%	-2.15 bps
10-yr bond yield	6.16%	-4.52 bps
USDPHP	57.29	-1.47%
Oil (Brent, \$ / barrel)	68.76	-1.31%

A BusinessWorld poll showed that analysts expect the Philippine economy to expand by 5.5% YoY in 2Q25. If realized, this would be slightly faster than 1Q25's 5.4% YoY growth, but slower than 2Q24's 6.5% YoY expansion. The slightly faster growth expectation was attributed to cooling inflation boosting household consumption, election-related spending, and faster exports. However, global trade uncertainty may have tempered growth.

SM Prime Holdings, Inc. (PSE ticker: SMPH) reported an attributable net income (NI) of Php12.80 billion (+10% YoY) in 2Q25. This brought the 1H25 attributable NI to Php24.46 billion (+11% YoY). The earnings growth in 1H25 was mainly driven by revenues rising to Php68.04 billion (+5% YoY) as rental income, real estate sales, and ancillary revenues increased.

Local equities rose and **local fixed income yields** fell ahead of the release of the local inflation print for July. Bloomberg consensus expects inflation to ease to 1.1% from 1.4% in June.

The PSEi closed at 6,348.65 (+0.67% DoD).

On average, yields fell by 1.55 bps, with the 2Y closing at 5.69% (-1.88 bps) and the 10Y closing at 6.16% (-4.52 bps).

The **Philippine peso** strengthened amid a weaker dollar after the softer-than-expected July US nonfarm payrolls boosted hopes of an earlier Fed rate cut. The USD/PHP pair closed at 57.29 (-1.47% DoD).

San Francisco Fed President Mary Daly stated that the time for interest rate cuts is approaching, citing a softening job market and the lack of persistent inflationary pressure from tariffs. She added that if labor market conditions continue to weaken, the Federal Reserve may need to implement more than two rate cuts to adequately support the economy.

The European Union said it will suspend its countermeasures to US tariffs for six months to allow for further trade talks. These countermeasures, which were set to take effect on August 7, include tariffs in response to the US' baseline and car tariffs, as well as to the US' duties on steel and aluminum.

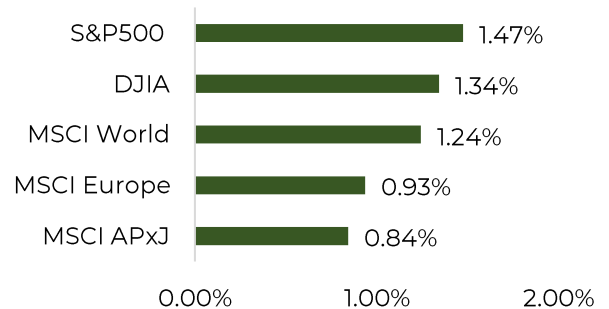
US equities jumped, **US Treasury yields** fell, and the **US dollar** weakened as investors weighed the dovish comments of San Francisco Fed President Daly. Moreover, equities rose the most since May 27 amid investors' bargain-hunting after the selloff last August 1.

The S&P 500 closed at 6,329.94 (+1.47% DoD), while the DJIA ended at 44,173.64 (+1.34% DoD).

On average, yields fell by 1.68 bps, with the 2Y closing at 3.68% (-0.90 bps) and the 10Y closing at 4.20% (-2.40 bps).

The DXY closed at 98.78 (-0.36% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,329.94	+1.47%
DJIA	44,173.64	+1.34%
3-mo US Treasury yield	4.26%	-3.60 bps
2-yr US Treasury yield	3.68%	-0.90 bps
5-yr US Treasury yield	3.74%	-1.90 bps
10-yr US Treasury yield	4.20%	-2.40 bps
DXY	98.78	-0.36%

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