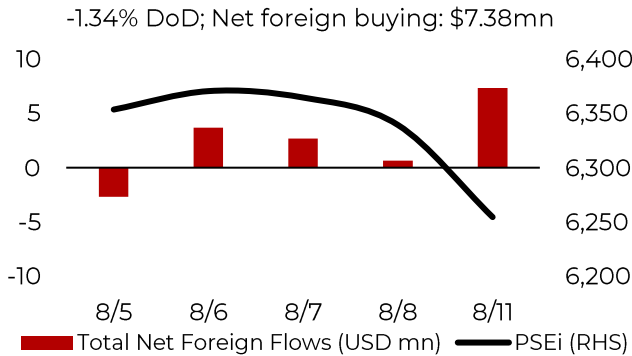


# The Morning View

August 12, 2025

## Philippine Stock Exchange Index



	Level	DoD
PSEi	6,254.36	-1.34%
3-mo bond yield	5.34%	-3.09 bps
2-yr bond yield	5.69%	+0.46 bps
5-yr bond yield	5.88%	-1.48 bps
10-yr bond yield	6.08%	+1.17 bps
USDPHP	57.04	-0.12%
Oil (Brent, \$ / barrel)	66.63	+0.06%

**Bangko Sentral ng Pilipinas (BSP) Governor Eli Remolona said a rate cut is "quite likely" in its next Monetary Board meeting on August 28.** He signaled that the BSP may ease the policy rate by two more times this year and ruled out a third cut. He also added that inflation is expected to settle well within target this year.

**JG Summit Holdings, Inc. (PSE Ticker: JGS) reported a core net income of Php14.8 billion (-19% YoY) in 1H25, with 2Q25 contributing Php10.4 billion (+87% YoY).** JGS' performance was driven by strong earnings from its airline and food and beverage businesses. However, the YoY decline in 1H was mainly attributable to the absence of the Php7.9 billion one-time gain from the Robinsons Bank Corp. merger with the Bank of the Philippine Islands.

**Local equities** declined amid a lack of local catalysts and lingering concerns over a potential global economic slowdown. The PSEi closed at 6,254.36 (-1.34% DoD).

**Local fixed income yields** were mixed but fell on average after BSP Governor Remolona hinted that a rate cut in August is "quite likely." On average, yields fell by 1.12 bps, with the 2Y closing at 5.69% (+0.46 bps) and the 10Y closing at 6.08% (+1.17 bps).

The **Philippine peso** strengthened on growing bets of a September Fed rate cut following dovish remarks from Fed policymakers. The USD/PHP pair closed at 57.04 (-0.12% DoD).

**US President Trump signed an executive order extending the US' tariff truce with China for 90 days.** The truce, originally set to expire on August 12, would have triggered tariff hikes to 145% on Chinese exports to the US and 125% on US exports to China. The extension maintained the current rates at 30% for Chinese imports and 10% for US goods.

**Fitch Ratings reported that the US' corporate default rate rose to 5.5% in 2Q25 (1Q25: 4.5%).** The increase stemmed from maturity extensions by "financially stressed" firms, interest deferrals, non-cash payment arrangements, and unresolved payment defaults.

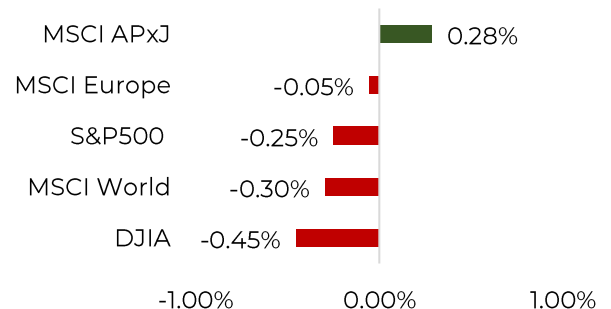
**US equities** fell, **US Treasury yields** rose, and the **US dollar** strengthened as investors stayed cautious ahead of the July Consumer Price Index (CPI) and Producer Price Index (PPI) inflation reports this week, which are both expected to accelerate based on consensus.

The S&P 500 closed at 6,373.45 (-0.25% DoD), while the DJIA ended at 43,975.09 (-0.45% DoD).

On average, yields rose by 2.63 bps, with the 2Y closing at 3.77% (+3.80 bps) and the 10Y closing at 4.29% (+3.70 bps).

The DXY closed at 98.52 (+0.35% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	6,373.45	-0.25%
DJIA	43,975.09	-0.45%
3-mo US Treasury yield	4.26%	+1.40 bps
2-yr US Treasury yield	3.77%	+3.80 bps
5-yr US Treasury yield	3.84%	+4.70 bps
10-yr US Treasury yield	4.29%	+3.70 bps
DXY	98.52	+0.35%

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