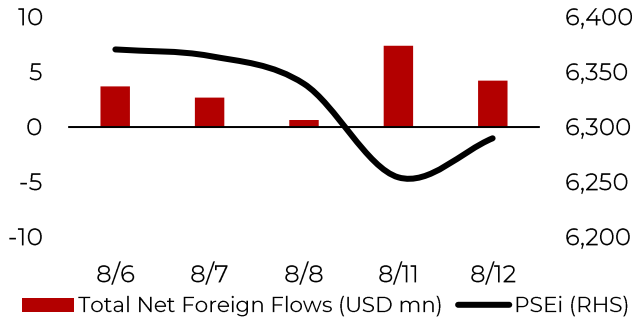


The Morning View

August 13, 2025

Philippine Stock Exchange Index

+0.57% DoD; Net foreign buying: \$4.21mn



| | Level | DoD |
|--------------------------|----------|-----------|
| PSEi | 6,289.85 | +0.57% |
| 3-mo bond yield | 5.33% | -0.75 bps |
| 2-yr bond yield | 5.68% | -1.46 bps |
| 5-yr bond yield | 5.88% | +0.32 bps |
| 10-yr bond yield | 6.09% | +0.91 bps |
| USDPHP | 57.08 | +0.06% |
| Oil (Brent, \$ / barrel) | 66.12 | -0.77% |

The Philippine banking system's nonperforming loans (NPLs) ratio fell to a three-month low of 3.34% in June (May: 3.38%).

Outstanding loans climbed by 11% YoY to Php15.88 trillion, while gross NPLs rose 6% YoY to Php530.29 billion. Debt servicing was also helped by lower rates.

PLDT Inc. (PSE Ticker: TEL) reported an attributable net income of Php18.1 billion (-1% YoY) in 1H25, with 2Q25 contributing Php9.1 billion (+1% QoQ, +6% YoY). The stable performance was lifted by TEL's equity share in Maya, contributing Php406.0 million in 1H25 growing Php263.0 million (+60% QoQ) in 2Q25. Revenues increased to Php106.3 billion (+3% YoY) in 1H25, driven by sales from fiber-only services increasing to Php29.5 billion (+7% YoY).

Local equities rebounded, local fixed income yields were mixed, and the Philippine peso was flat as investors digested the extension of the US-China trade truce for another 90 days. This was also ahead of the overnight release of the key inflation data in the US.

The PSEi closed at 6,289.85 (+0.57% DoD).

On average, yields fell by 0.28 bps, with the 2Y closing at 5.68% (-1.46 bps) and the 10Y closing at 6.09% (+0.91 bps).

The USD/PHP pair closed at 57.08 (+0.06% DoD).

US headline Consumer Price Index (CPI) rose less than expected by 2.7% YoY in July (June: 2.7%; Consensus: 2.8%), as lower gasoline prices and steady food costs offset higher shelter prices.

Meanwhile, core CPI climbed by 3.1% YoY (June: 2.9%; Consensus: 3.0%), driven by core services such as airfare and healthcare. The impact of tariffs was mixed—prices for select core goods like furnishings, footwear, and auto parts increased, while others, including apparel and some commodities, saw modest gains.

US budget deficit widened by 19% YoY to \$291 billion in July, reversing the \$27 billion surplus in June.

The shortfall reflected a 10% YoY rise in outlays amid higher costs for healthcare programs. This has outpaced the 2% YoY increase in receipts. Notably, net customs receipts climbed to \$27.7 billion as tariff revenues surged following the imposition of higher tariff rates.

US equities climbed, US Treasury yields fell, and the US dollar weakened after the US CPI came in cooler than expected, bolstering bets for a Fed rate cut in the September policy meeting.

The S&P 500 closed at 6,445.76 (+1.13% DoD), while the DJIA ended at 44,458.61 (+1.10% DoD).

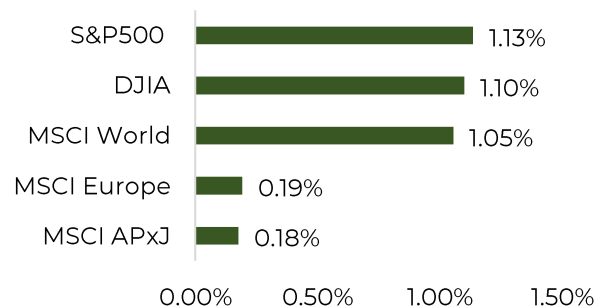
On average, yields fell by 0.84 bps, with the 2Y closing at 3.73% (-3.70 bps) and the 10Y closing at 4.29% (+0.40 bps).

The DXY closed at 98.10 (-0.43% DoD).

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Global Stock Indices



| | Level | DoD |
|-------------------------|-----------|-----------|
| S&P 500 | 6,445.76 | +1.13% |
| DJIA | 44,458.61 | +1.10% |
| 3-mo US Treasury yield | 4.24% | -2.10 bps |
| 2-yr US Treasury yield | 3.73% | -3.70 bps |
| 5-yr US Treasury yield | 3.82% | -1.60 bps |
| 10-yr US Treasury yield | 4.29% | +0.40 bps |
| DXY | 98.10 | -0.43% |