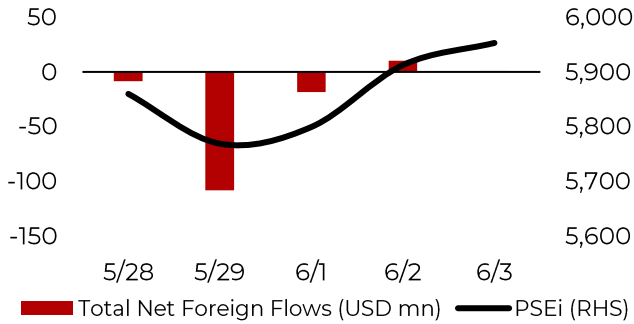


The Morning View

June 4, 2026

Philippine Stock Exchange Index

+0.68% DoD; Net foreign buying: \$0.86mn



	Level	DoD
PSEi	5,953.17	+0.68%
3-mo bond yield	4.99%	-0.93 bps
2-yr bond yield	6.78%	+1.49 bps
5-yr bond yield	7.35%	+3.11 bps
10-yr bond yield	7.48%	-2.71 bps
USDPHP	61.75	+0.11%
Oil (Brent, \$ / barrel)	97.81	+1.89%

The PH may face additional US tariffs of 12.5%, as the US Trade Representative (USTR) found it and 59 other economies failing to prohibit imports made with forced labor. The USTR stated that several products would be exempted, including energy, rare earths and other select metals, beef, coffee, certain fruits and vegetables, pharmaceuticals, organic chemicals, and aircraft parts.

SM Prime Holdings Inc. (PSE Ticker: SMPH) has deferred its planned fixed-rate bond offering, which earlier aimed to raise up to Php18 billion as the fourth tranche of its Php100-billion shelf-registration program. SMPH postponed the issuance of the 5.75-year and 10-year bonds until further notice, citing current unfavorable market conditions and elevated interest rates.

Local equities rose as investors continued bargain hunting amid attractive valuations. The PSEi closed at 5,953.17 (+0.68% DoD).

Local fixed income yields were mixed and the **Philippine peso** weakened after US and Iranian forces exchanged new attacks in the Persian Gulf, driving global oil prices higher and boosting safe-haven demand for the US dollar. Moreover, investors positioned ahead of the local inflation data release tomorrow.

On average, yields fell by 0.27 bps, with the 2Y closing at 6.78% (+1.49 bps) and the 10Y closing at 7.48% (-2.71 bps).

The USD/PHP pair closed at 61.75 (+0.11% DoD).

US ISM Services Purchasing Managers' Index (PMI) rose to 54.5 in May (April: 53.6; Consensus: 53.8), a three-month high and the 23rd straight month of expansion. Growth was driven by higher new orders and inventories as firms anticipated supply shortages and rising costs linked to the Iran war. However, employment contracted for a third consecutive month, while price pressures intensified on higher fuel, oil, and related commodity costs.

The ADP National Employment report showed US private payrolls grew by 122,000 in May, beating the 120,000 consensus and April's 105,000 gain. Hiring was more broad-based, spanning 8 out of 10 sectors after months of concentrated growth. Education and health services led with 57,000 hires, followed by steady gains in trade, professional services, construction, and leisure.

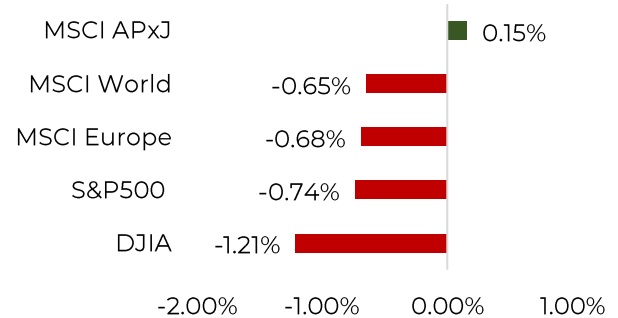
US equities fell, **US Treasury yields** jumped, and the **US dollar** strengthened after renewed strikes between US and Iran, which pushed oil prices higher. Investors also digested the stronger-than-expected May ADP private payrolls report and the three-month high May US ISM Services PMI data.

The S&P 500 closed at 7,553.68 (-0.74% DoD), while the DJIA ended at 50,687.07 (-1.21% DoD).

On average, yields rose by 3.10 bps, with the 2Y closing at 4.08% (+3.90 bps) and the 10Y closing at 4.50% (+5.20 bps).

The DXY closed at 99.53 (+0.31% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,553.68	-0.74%
DJIA	50,687.07	-1.21%
3-mo US Treasury yield	3.71%	+0.90 bps
2-yr US Treasury yield	4.08%	+3.90 bps
5-yr US Treasury yield	4.22%	+4.80 bps
10-yr US Treasury yield	4.50%	+5.20 bps
DXY	99.53	+0.31%

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