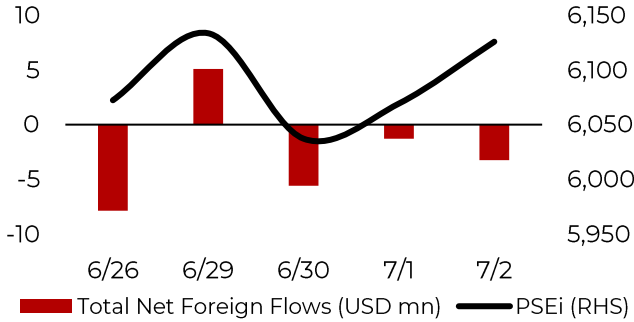


The Morning View

July 3, 2026

Philippine Stock Exchange Index

+0.93% DoD; Net foreign selling: \$3.25mn



	Level	DoD
PSEi	6,125.72	+0.93%
3-mo bond yield	5.15%	-0.26 bps
2-yr bond yield	6.34%	-0.79 bps
5-yr bond yield	6.83%	-1.05 bps
10-yr bond yield	7.11%	+0.94 bps
USDPHP	61.57	-0.09%
Oil (Brent, \$ / barrel)	71.80	+0.32%

National government outstanding debt rose to Php18.55 trillion as of end-May (+9.62% YoY), largely driven by the rise in domestic debt (+6.07% YoY) as the government continued to raise funds to support financing needs. Meanwhile, external debt also jumped 17.77% YoY to Php5.14 trillion. The Government projected outstanding debt to reach Php19.06 trillion in FY26.

Converge ICT Solutions, Inc. (PSE Ticker: CNNVRG) partnered with the Information Technology and Business Process Association of the PH to upskill the information technology and business process management workforce for the artificial intelligence era. The partnership aims to support workers transition from routine tasks to higher-value, specialized roles.

Local equities rose as the improvement in June factory activity and the World Bank's PH upgrade to upper-middle-income status lifted market sentiment. The PSEi closed at 6,125.72 (+0.93% DoD).

Local fixed income yields were mixed and the **Philippine peso** slightly strengthened as investors weighed US Fed Chair Warsh's remarks that inflation risks and expectations have recently eased. This was also ahead of the release of key US labor data for June.

On average, yields fell by 0.10 bps, with the 2Y closing at 6.34% (-0.79 bps) and the 10Y closing at 7.11% (+0.94 bps).

The USD/PHP pair closed at 61.57 (-0.09% DoD).

US nonfarm payrolls rose by 57,000 in June (May: 129,000), well below the consensus forecast of 113,000, while April and May gains were revised down by a combined 74,000. Employment growth in education and healthcare was partly offset by declines in leisure and hospitality. Meanwhile, the unemployment rate edged down to 4.2% from 4.3%, largely due to workers leaving the labor force rather than stronger hiring.

San Francisco Fed President Mary Daly, an alternate voting member, said monetary policy is 'slightly restrictive'. However, uncertainty around inflation and AI-driven investment growth makes the Fed's next move unclear. Against this backdrop, Daly said it is important to assess conditions carefully rather than react too quickly.

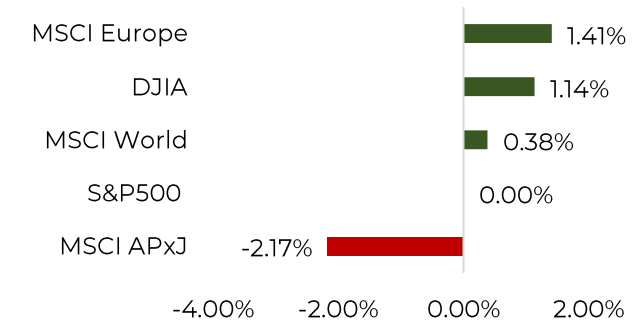
US equities and **US Treasury yields** ended mixed, and the **US dollar** weakened as investors weighed the weaker-than-expected nonfarm payroll additions in June, which tempered expectations of a Fed rate hike.

The S&P 500 closed at 7,483.24 (+0.00% DoD), while the DJIA ended at 52,900.07 (+1.14% DoD).

On average, yields fell by 0.71 bps, with the 2Y closing at 4.14% (-4.20 bps) and the 10Y closing at 4.49% (+0.60 bps).

The DXY closed at 100.86 (-0.53% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,483.24	+0.00%
DJIA	52,900.07	+1.14%
3-mo US Treasury yield	3.77%	-0.80 bps
2-yr US Treasury yield	4.14%	-4.20 bps
5-yr US Treasury yield	4.23%	-0.70 bps
10-yr US Treasury yield	4.49%	+0.60 bps
DXY	100.86	-0.53%