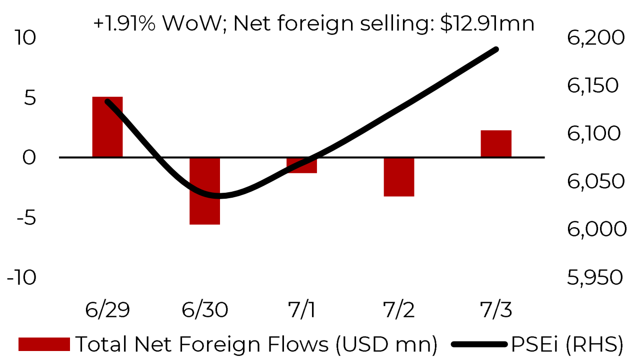
The Morning View

July 6, 2026

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,188.03	+1.02%
3-mo bond yield	5.12%	-2.81 bps
2-yr bond yield	6.34%	+0.60 bps
5-yr bond yield	6.83%	-0.11 bps
10-yr bond yield	7.15%	+4.10 bps
USDPHP	61.42	-0.24%
Oil (Brent, $ / barrel)	72.12	+0.45%

According to a BusinessWorld poll, economists see the June headline inflation likely easing for a second straight month to 6.6% (May: 6.8%). They attributed the expectation of softer inflation to lower oil and rice prices, which likely helped offset higher electricity costs. The Bangko Sentral ng Pilipinas likewise projects June inflation to settle within the 6.0%–7.0% range.

Manila Electric Company (PSE Ticker: MER) reported that initial second-quarter data showed higher energy sales volumes, driven by warmer weather and stronger electricity demand. The improvement followed a decline in 1Q26 due to cooler weather. Management continues to target 1–2% energy sales volume growth for 2026, supported by the expected El Niño in 2H26.

Local equities rose, **local fixed income yields** were mixed, and the **Philippine peso** slightly strengthened as the lower-than-expected June US nonfarm payrolls data tempered expectations of rate hikes from the Fed.

The PSEi closed at 6,188.03 (+1.02% DoD).

On average, yields fell by 0.26 bps, with the 2Y closing at 6.34% (+0.60 bps) and the 10Y closing at 7.15% (+4.10 bps).

The USD/PHP pair closed at 61.42 (-0.24% DoD).

The Organization of the Petroleum Exporting Countries and its allies (OPEC+) approved a 188,000 barrels per day (bpd) increase in August production targets, extending its gradual rollback of voluntary supply cuts. The bloc's seven core members have now raised output quotas by nearly 800,000 bpd from April through July, although actual production remains below pre-conflict levels.

S&P Global Eurozone final Services Purchasing Managers' Index (PMI) rose to 49.4 in June (May: 47.7; Consensus: 48.9), indicating an easing contraction as the reading stayed below 50. The increase was driven by stronger employment and improved sentiment, which offset a continued decline in new business. Meanwhile, input cost inflation eased to a four-month low, allowing firms to moderate the pace of price increases.

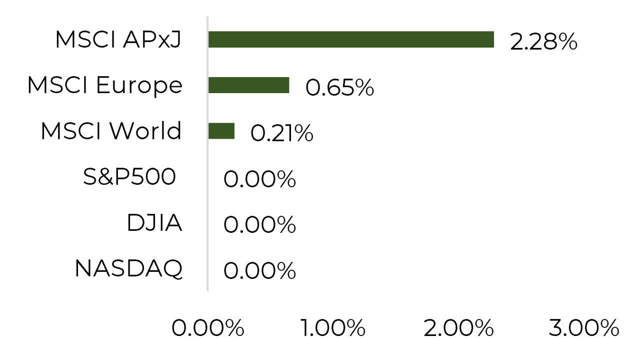
US equities and the **US dollar** were unchanged, while **US Treasury yields** ended flat as markets were closed in observance of the US Independence Day federal holiday.

The previous close of the S&P 500 was at 7,483.24 (0.00% DoD), and the DJIA at 52,900.07 (0.00% DoD).

On average, yields slightly rose by 0.33 bps, with the 2Y closing at 4.14% (0 bps) and the 10Y closing at 4.49% (0 bps).

The DXY was unchanged at 100.86 (0.00% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,483.24	0.00%
DJIA	52,900.07	0.00%
NASDAQ	29,329.21	0.00%
3-mo US Treasury yield	3.77%	0.00 bps
2-yr US Treasury yield	4.14%	0.00 bps
5-yr US Treasury yield	4.23%	0.00 bps
10-yr US Treasury yield	4.49%	0.00 bps
DXY	100.86	0.00%