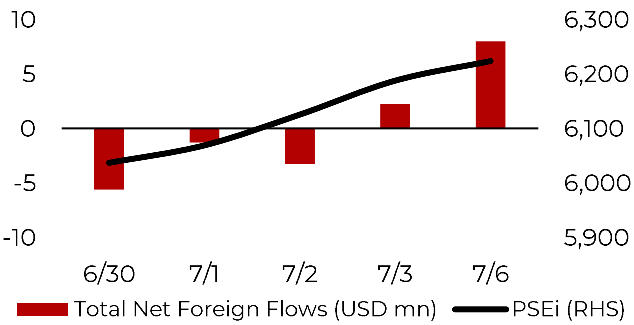
The Morning View

July 7, 2026

Philippine Stock Exchange Index

+0.58% DoD; Net foreign buying: $8.00mn



	Level	DoD
PSEi	6,223.99	+0.58%
3-mo bond yield	5.10%	-2.84 bps
2-yr bond yield	6.34%	-0.39 bps
5-yr bond yield	6.82%	-1.11 bps
10-yr bond yield	7.13%	-2.14 bps
USDPHP	61.49	+0.12%
Oil (Brent, $ / barrel)	71.99	-0.18%

Bangko Sentral ng Pilipinas (BSP) Governor Remolona said that the PH economy can absorb another 25-bp rate hike. He noted that this outlook is anchored on a rebound in government spending in 2H26 after a weak start to the year, which is expected to support stronger economic activity. Remolona did not provide further guidance on how much space they have for additional 25-bp increases.

ACEN Corp. (PSE Ticker: ACEN) has brought in Dutch investor Diamond India Renewables One B.V. (DIRO) for its second renewable energy project in India, with DIRO acquiring up to a 49% stake in Diyos Renewables India Project Private Ltd. The transaction follows a similar agreement announced last month, under which DIRO agreed to acquire up to a 49% stake in Tejorupa Renewables India Project Private Ltd.

Local equities rose, **local fixed income yields** fell, and the **Philippine peso** slightly weakened as investors positioned ahead of the local inflation print for June, which decelerated more than expected to 6.4% (May: 6.8%; Consensus: 6.5%).

The PSEi closed at 6,223.99 (+0.58% DoD).

On average, yields fell by 0.55 bps, with the 2Y closing at 6.34% (-0.39 bps) and the 10Y closing at 7.13% (-2.14 bps).

The USD/PHP pair closed at 61.49 (+0.12% DoD).

Fed Governor Christopher Waller said forward guidance can be useful when applied flexibly but warned that sticking too rigidly to prior commitments can delay appropriate policy actions, citing the Fed's slow response to rising inflation in 2021. He added that the main risk facing the Fed today is persistently high inflation, as the US labor market remains broadly stable.

US ISM services Purchasing Managers' Index (PMI) dipped to 54.0 in June (May: 54.5; Consensus: 54.0) but remained above the 50-point threshold that indicates expansion. The moderation was driven by slower growth in business activity and new orders but was nonetheless supported by a rebound in hiring.

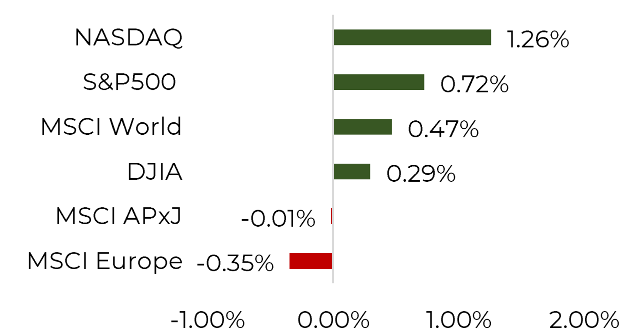
US equities rose as investors bought stocks related to artificial intelligence that are expected to drive a strong second-quarter earnings season. The S&P 500 closed at 7,537.43 (+0.72% DoD), while the DJIA ended at 53,055.91 (+0.29% DoD).

US Treasury yields fell and the **US dollar** was unchanged as markets await the release of the minutes from the Federal Open Market Committee's June meeting, which could give cues for Fed policy rate expectations.

On average, yields fell by 1.22 bps, with the 2Y closing at 4.11% (-2.50 bps) and the 10Y closing at 4.47% (-1.60 bps).

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

Global Stock Indices



	Level	DoD
S&P 500	7,537.43	+0.72%
DJIA	53,055.91	+0.29%
NASDAQ	29,697.87	+1.26%
3-mo US Treasury yield	3.78%	+0.90 bps
2-yr US Treasury yield	4.11%	-2.50 bps
5-yr US Treasury yield	4.20%	-3.00 bps
10-yr US Treasury yield	4.47%	-1.60 bps
DXY	100.85	-0.00%