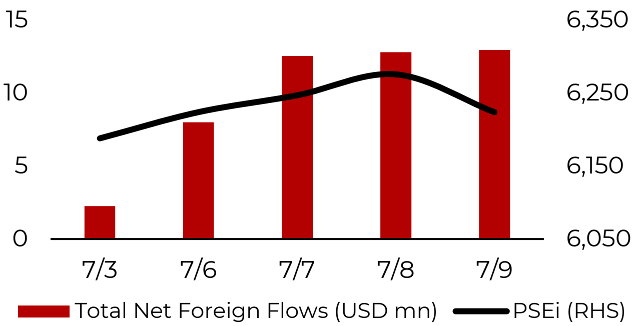
# The Morning View

July 10, 2026

## Philippine Stock Exchange Index

-0.83% DoD; Net foreign buying: $12.97mn




| | Level | DoD |
|---|---|---|
| PSEi | 6,223.87 | -0.83% |
| 3-mo bond yield | 5.06% | +0.64 bps |
| 2-yr bond yield | 6.44% | +9.00 bps |
| 5-yr bond yield | 7.02% | +16.90 bps |
| 10-yr bond yield | 7.25% | +11.06 bps |
| USDPHP | 61.61 | +0.16% |
| Oil (Brent, $ / barrel) | 76.30 | -2.20% |

**The Bangko Sentral ng Pilipinas (BSP) said in its June Monetary Policy Report that the inflation outlook has shifted higher, with inflation projected at 6.4% in 2026 and 4.5% in 2027.** The BSP noted that broadening price pressures and rising second-round effects may warrant a stronger monetary policy response to keep inflation expectations anchored.

**The Energy Regulatory Commission (ERC) said it is targeting a decision on Manila Electric Co.'s (PSE Ticker: MER) proposed rate reset by 3Q26.** MER is seeking approval to recover Php532.13 billion from consumers from 2027 to 2030, including raising its average distribution tariff to Php2.34 per kilowatt-hour (kWh) from Php1.35/kWh, to help fund its capital expenditures.

**Local equities** fell and **local fixed income yields** jumped after the US conducted fresh military strikes on Iran, dampening risk sentiment and stoking inflation concerns.

The PSEi closed at 6,223.87 (-0.83% DoD).

On average, yields rose by 7.44 bps, with the 2Y closing at 6.44% (+9 bps) and the 10Y closing at 7.25% (+11.06 bps).

The **Philippine peso** weakened following the hawkish signals from the US Fed's June meeting minutes, as well as the new US strikes on Iran. The USD/PHP pair closed at 61.61 (+0.16% DoD).

**Fed Chairman Kevin Warsh named 15 experts to lead the five task forces he is establishing to review the central bank's operations.** The composition comes from diverse backgrounds, including former governors of foreign central banks, professors, and an economics Nobel laureate. Warsh first disclosed his intention to create the task forces last month, which aims to strengthen the Fed's position in achieving its objectives amid changes in the US economy.

**US weekly jobless claims edged lower by 2,000 to 215,000 (Consensus: 217,000) for the week ended July 4.** Meanwhile, continuing claims rose by 8,000 to 1.814 million for the week ended June 27, matching expectations, attributed to seasonal distortions related to school staff filings at the end of the academic year.

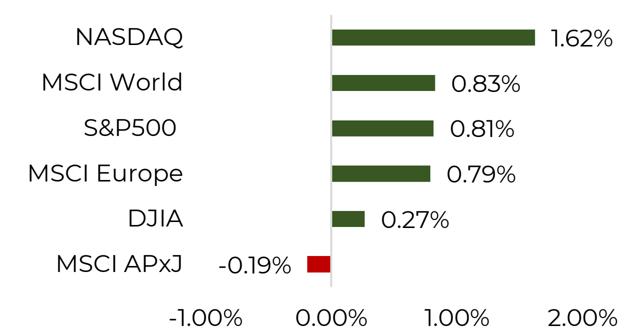
**US equities** rose, **US Treasury yields** dropped, and the **US dollar** closed flat as oil prices declined despite the US carrying out extensive strikes against Iran. Traders also assessed remarks from New York Fed President Williams, who said he does not expect energy prices to increase throughout the year.

The S&P 500 closed at 7,543.64 (+0.81% DoD), while the DJIA ended at 52,487.41 (+0.27% DoD).

On average, yields fell by 2.50 bps, with the 2Y closing at 4.18% (-4.10 bps) and the 10Y closing at 4.56% (-2.80 bps).

The DXY closed at 100.90 (-0.09% DoD).

## Global Stock Indices




| | Level | DoD |
|---|---|---|
| S&P 500 | 7,543.64 | +0.81% |
| DJIA | 52,487.41 | +0.27% |
| NASDAQ | 29,727.10 | +1.62% |
| 3-mo US Treasury yield | 3.78% | -4.10 bps |
| 2-yr US Treasury yield | 4.18% | -4.10 bps |
| 5-yr US Treasury yield | 4.29% | -4.40 bps |
| 10-yr US Treasury yield | 4.56% | -2.80 bps |
| DXY | 100.90 | -0.09% |