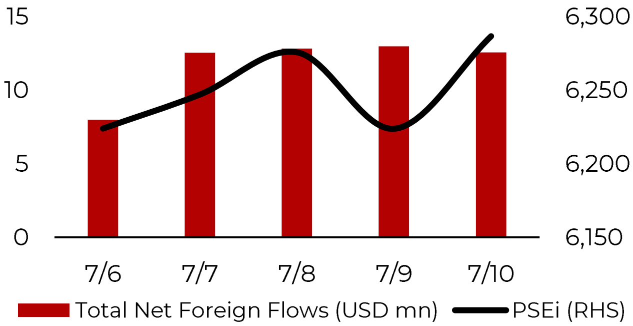
BPI WEALTH

The Morning View

July 13, 2026

Philippine Stock Exchange Index

+1.01% DoD; Net foreign buying: $12.55mn



	Level	DoD
PSEi	6,286.70	+1.01%
3-mo bond yield	5.06%	-0.44 bps
2-yr bond yield	6.42%	-1.12 bps
5-yr bond yield	6.96%	-5.47 bps
10-yr bond yield	7.26%	+1.62 bps
USDPHP	61.52	-0.15%
Oil (Brent, $ / barrel)	76.01	-0.38%

According to the Department of Agriculture, PH agricultural output likely grew in 2Q26, supported by expanded rice planting and recoveries in fisheries, corn and other crops. However, it noted that El Niño could weigh on production later in the year, with the dry spell potentially lasting until early 2027.

Manila Electric Co. (PSE Ticker: MER) raised electricity rates by Php0.3428/kilowatt-hour (kWh) to Php14.8261/kWh in July. This was attributed to higher fuel costs linked to the Middle East tensions, increased generation charges, as well as higher taxes and transmission costs. The adjustment translates to an increase of about Php69 on the monthly bill of a household consuming 200 kWh.

Local equities rose as investors bargain hunted following the previous day's pullback. The PSEi closed at 6,286.70 (+1.01% DoD).

Local fixed income yields were mixed and the **Philippine peso** strengthened after global oil prices eased amid reports of revived peace talks between the US and Iran following recent strikes.

On average, yields fell by 1.73 bps, with the 2Y closing at 6.42% (-1.12 bps) and the 10Y closing at 7.26% (+1.62 bps).

The USD/PHP pair closed at 61.52 (-0.15% DoD).

The Federal Reserve's semiannual Monetary Policy Report emphasized that inflation remains the Fed's primary concern, noting that price pressures intensified due to tariffs, higher energy costs, and strong AI-related investment. The report also highlighted a stable labor market, while economic growth remains moderate amid weak housing activity and subdued consumer spending.

Over the weekend, Iran declared the Strait of Hormuz closed until what it called an end to "US interference". Tehran retaliated against recent US attacks with strikes targeting military installations in US-allied Gulf states. Meanwhile, the US reiterated that Iran does not control the Strait and an "expanded" southern route near Oman remains open for two-way traffic.

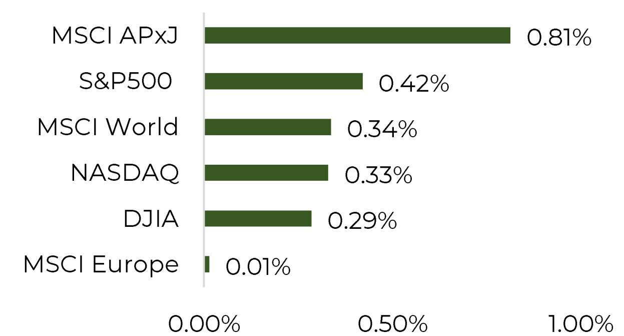
US equities inched higher as investors looked ahead to the upcoming 2Q26 earnings season. This also followed SK Hynix's Nasdaq listing of its American Depositary Receipts (ADR). The S&P 500 closed at 7,575.39 (+0.42% DoD), while the DJIA ended at 52,637.01 (+0.29% DoD).

US Treasury yields rose, and the **US dollar** closed flat after President Trump's announcement last Friday that the US and Iran would continue peace talks.

On average, yields rose by 1.47 bps, with the 2Y closing at 4.21% (+2.90 bps) and the 10Y closing at 4.56% (+0.80 bps).

The DXY closed at 100.95 (+0.05% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,575.39	+0.42%
DJIA	52,637.01	+0.29%
NASDAQ	29,825.11	+0.33%
3-mo US Treasury yield	3.79%	+1.30 bps
2-yr US Treasury yield	4.21%	+2.90 bps
5-yr US Treasury yield	4.31%	+2.10 bps
10-yr US Treasury yield	4.56%	+0.80 bps
DXY	100.95	+0.05%