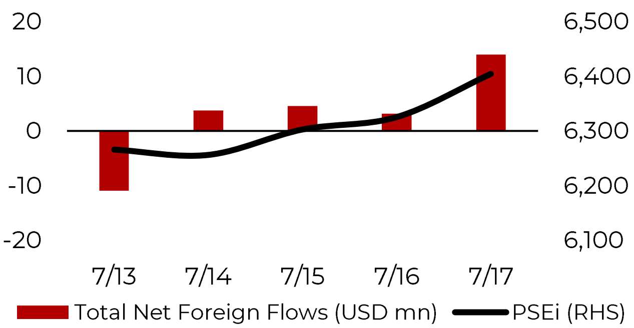
The Morning View

BPI WEALTH

July 20, 2026

Philippine Stock Exchange Index

+1.25% DoD; Net foreign buying: $13.95mn



	Level	DoD
PSEi	6,404.11	+1.25%
3-mo bond yield	5.06%	+0.37 bps
2-yr bond yield	6.55%	+3.79 bps
5-yr bond yield	7.15%	+5.11 bps
10-yr bond yield	7.28%	+0.11 bps
USDPHP	61.59	-0.05%
Oil (Brent, $ / barrel)	88.10	+4.59%

Bangko Sentral ng Pilipinas (BSP) Governor Remolona says the central bank will reassess its inflation outlook after the Metro Manila minimum wage increase came in at 12%, above the 6% baseline assumption. He said the BSP is evaluating potential second-round effects, as higher labor costs could feed into consumer prices. Nonetheless, despite the larger-than-expected wage adjustment, Remolona ruled out a 50-bp rate hike.

SM Prime Holdings, Inc. (PSE Ticker: SMPH) is investing Php1.5 billion to expand SM Xiamen City, reinforcing its Fujian-focused China strategy. The company will develop the 19,403-square meters CHAO Block, a 24/7 lifestyle retail concept targeting younger consumers and entrepreneurs. Phase 1 is set to open in September 2026, with full completion targeted by 4Q27.

Local equities rose on continued bargain hunting. Meanwhile, **local fixed income yields** rose, and the **Philippine peso** closed flattish as market sentiment remained weighed by the renewed geopolitical tensions following reports of US-Iran retaliatory strikes.

The PSEi closed at 6,404.11 (+1.25% DoD).

On average, yields rose by 2.20 bps, with the 2Y closing at 6.55% (+3.79 bps) and the 10Y closing at 7.28% (+0.11 bps).

The USD/PHP pair closed at 61.59 (-0.05% DoD).

University of Michigan's preliminary US consumer sentiment index rose to a five-month high of 54.4 in July (June: 49.5, Consensus: 49.0), supported by lower gasoline prices. Meanwhile, consumers' one-year inflation expectations eased to 4.2% in July (June: 4.6%). However, the survey was conducted prior to the latest US-Iran escalation, suggesting that the recent increase in fuel prices may erode some of the gains.

The US Central Command carried out its ninth straight night of attacks on Iran on Sunday, seeking to reduce Iran's ability to threaten commercial shipping in the Strait of Hormuz. This came after at least two US military personnel were killed by an Iranian attack in Jordan. On the same day, fresh Iranian attacks were also reported and intercepted in Kuwait, Bahrain, Jordan.

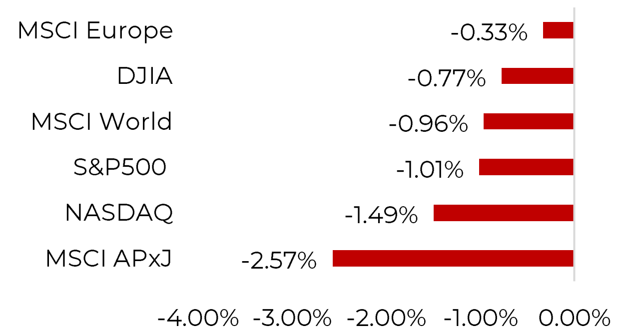
US equities fell, **US Treasury yields** ended mixed, and the **US dollar** closed flat as investors weighed in on renewed geopolitical tensions and awaited further guidance from the Federal Reserve.

The S&P 500 closed at 7,457.69 (-1.01% DoD), while the DJIA ended at 52,146.42 (-0.77% DoD).

On average, yields rose by 0.54 bps, with the 2Y closing at 4.18% (+4.00 bps) and the 10Y closing at 4.55% (-0.40 bps).

The DXY closed at 100.76 (+0.00% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,457.69	-1.01%
DJIA	52,146.42	-0.77%
NASDAQ	28,592.66	-1.49%
3-mo US Treasury yield	3.80%	+0.90 bps
2-yr US Treasury yield	4.18%	+4.00 bps
5-yr US Treasury yield	4.28%	+0.90 bps
10-yr US Treasury yield	4.55%	-0.40 bps
DXY	100.77	+0.00%

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