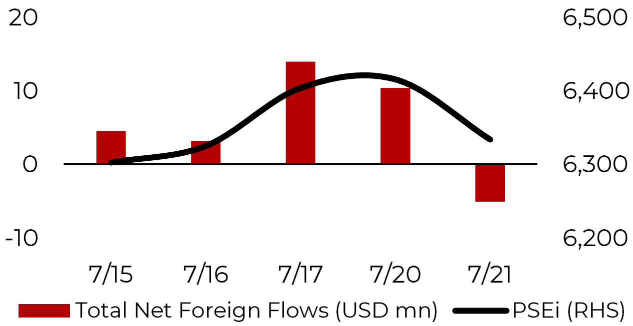
The Morning View

July 22, 2026

Philippine Stock Exchange Index

-1.28% DoD; Net foreign selling: $5.06mn



	Level	DoD
PSEi	6,333.80	-1.28%
3-mo bond yield	5.04%	-1.68 bps
2-yr bond yield	6.61%	-3.15 bps
5-yr bond yield	7.24%	+6.36 bps
10-yr bond yield	7.37%	+4.65 bps
USDPHP	61.75	+0.10%
Oil (Brent, $ / barrel)	91.01	+2.01%

The number of approved building permits dropped by 11.6% YoY to 15,436 in May amid rising construction costs and elevated borrowing rates. Residential construction, which accounted for 66% of total permits, declined by 15.5% YoY amid softer private-sector building activity. Meanwhile, non-residential projects, representing 20% of permits issued, fell by 5.5% YoY.

The Philippine Stock Exchange (PSE) revised its index rules effective February 2027, introducing stricter market-cap, liquidity, and public float requirements. Companies must be within the top 98% of cumulative market capitalization, meet the new Median Trading Activity Ratio and the Monthly Average Daily Value Turnover liquidity thresholds, and maintain at least 20% public float or 15% float for those valued at Php250 billion or more.

Local equities fell on profit-taking after a four-day rally. Meanwhile, **local fixed income yields** were mixed and the **Philippine peso** weakened on higher oil prices amid the Middle East conflict. This was also after the government partially awarded its reissued Treasury bonds as investors demanded higher yields.

The PSEi closed at 6,333.80 (-1.28% DoD).

On average, yields rose by 1.85 bps, with the 2Y closing at 6.61% (-3.15 bps) and the 10Y closing at 7.37% (+4.65 bps).

The USD/PHP pair closed at 61.75 (+0.10% DoD).`

According to a Financial Times report, the Trump administration is preparing new tariffs on several countries before the temporary 10% global tariff expires on Friday. The expiring temporary tariffs were imposed last February after the Supreme Court ruled against President Trump's earlier reciprocal tariffs. Meanwhile, the new duties could initially remain around 10%, although ongoing investigations into issues such as forced labor practices may provide legal grounds for higher tariffs.

Majority of the economists polled by Reuters expect the Federal Reserve to keep rates unchanged at the 3.50%-3.75% range for the rest of 2026. However, they still see a "high" likelihood of a rate hike this year, citing the need to address the elevated US inflation, which has been above the Fed's 2% target for over five years.

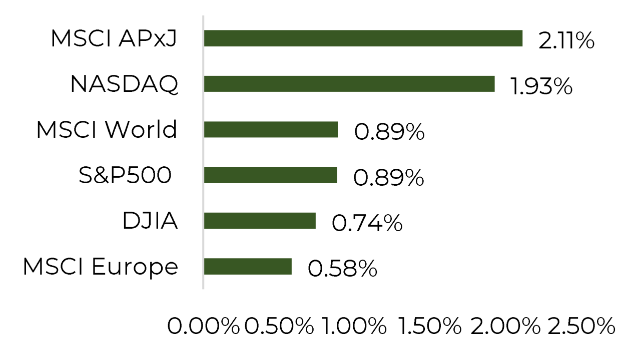
US equities rose, led by semiconductor shares, as investors looked ahead to major tech earnings reports. The S&P 500 closed at 7,509.2 (+0.89% DoD), while the DJIA ended at 52,224.64 (+0.74% DoD).

US Treasury yields jumped, and the **US dollar** strengthened as the market continued to monitor the developments in the Middle East, while oil prices continued to rise.

On average, yields rose by 3.29 bps, with the 2Y closing at 4.27% (+5.30 bps) and the 10Y closing at 4.63% (+3.60 bps).

The DXY closed at 101.17 (+0.22% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,509.20	+0.89%
DJIA	52,224.64	+0.74%
NASDAQ	29,155.18	+1.93%
3-mo US Treasury yield	3.82%	+2.50 bps
2-yr US Treasury yield	4.27%	+5.30 bps
5-yr US Treasury yield	4.37%	+4.80 bps
10-yr US Treasury yield	4.63%	+3.60 bps
DXY	101.17	+0.22%