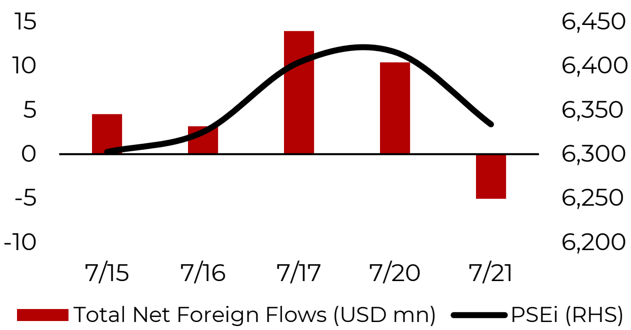
The Morning View

July 23, 2026

Philippine Stock Exchange Index

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



	Level	DoD
PSEi	6,267.85	-1.04%
3-mo bond yield	5.02%	-1.71 bps
2-yr bond yield	6.61%	+0.01 bps
5-yr bond yield	7.26%	+1.88 bps
10-yr bond yield	7.51%	+14.50 bps
USDPHP	61.75	+0.01%
Oil (Brent, $ / barrel)	94.07	+3.36%

The Energy Regulatory Commission (ERC) is eyeing to lower the price ceiling for power reserves traded in the spot market to Php9 per kilowatt-hour (kWh), from the previous interim price cap of Php25/kWh set in 2024. According to ERC Chair Francis Saturnino C. Juan, the move aims to reduce ancillary service costs and ease electricity prices by encouraging more generators to enter procurement agreements, which lessens reliance on higher-priced spot market transactions.

Manila Electric Co. (PSE Ticker: MER) is evaluating a potential partnership with Albay Electric Cooperative as local officials sought help to address power reliability issues. This followed a setback in South Cotabato, where MER's proposed partnership with South Cotabato II Electric Cooperative was rejected.

Local equities declined, **local fixed income yields** were mixed, and the **Philippine peso** slightly weakened, matching its record low, as the continued rise in global oil prices re-ignited local inflation concerns. The local bourse was also weighed by continued profit-taking by investors.

The PSEi closed at 6,267.85 (-1.04% DoD).

On average, yields fell by 1.70 bps, with the 2Y closing at 6.61% (+0.01 bps) and the 10Y closing at 7.51% (+14.50 bps).

The USD/PHP pair closed at 61.75 (+0.01% DoD).

US Trade Representative Jamieson Greer said the US aims to reach interim trade arrangements with Canada and Mexico by year-end. He added that more contentious issues in the US-Mexico-Canada Agreement (USMCA), including automotive rules of origin, labor provisions, and environmental standards, will likely require further negotiations that could extend into 2027.

The Yemen-based and Iran-backed Houthis claimed attacking two Saudi oil tankers in the Red Sea on Wednesday. Later that day, the US military said that it launched more strikes on Iran, marking its 12th straight day. The Houthis' strikes came after the group imposed a naval blockade on Saudi Arabia last Monday that could impact the flow of oil supply.

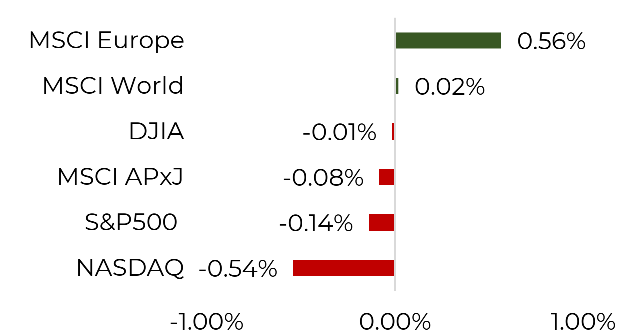
US equities inched down, **US Treasury yields** jumped, and the **US dollar** weakened as global oil prices hit a six-week high following persistent US strikes against Iran, while President Trump threatened further escalation. Traders also awaited Friday's S&P Global flash US Purchasing Managers' Index report, which will provide an updated read on manufacturing and services activity.

The S&P 500 closed at 7,498.96 (-0.14% DoD), while the DJIA ended at 52,218.58 (-0.01% DoD).

On average, yields rose by 2.72 bps, with the 2Y closing at 4.30% (+3.40 bps) and the 10Y closing at 4.66% (+2.70 bps).

The DXY closed at 101.13 (-0.05% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,498.96	-0.14%
DJIA	52,218.58	-0.01%
NASDAQ	28,998.10	-0.54%
3-mo US Treasury yield	3.84%	+2.30 bps
2-yr US Treasury yield	4.30%	+3.40 bps
5-yr US Treasury yield	4.41%	+3.40 bps
10-yr US Treasury yield	4.66%	+2.70 bps
DXY	101.13	-0.05%