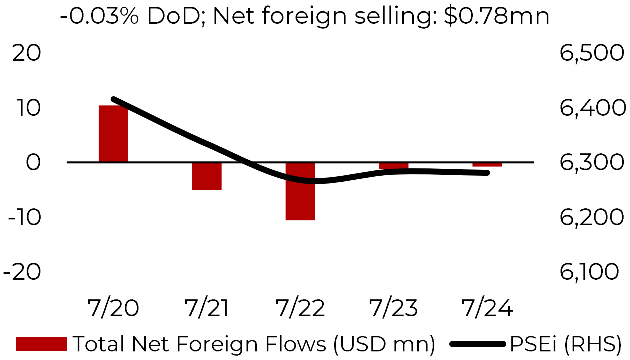
The Morning View

BPI WEALTH

July 27, 2026

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,281.01	-0.03%
3-mo bond yield	5.06%	+5.71 bps
2-yr bond yield	6.72%	+9.71 bps
5-yr bond yield	7.40%	+7.74 bps
10-yr bond yield	7.61%	+6.23 bps
USDPHP	61.85	+0.16%
Oil (Brent, $ / barrel)	96.78	-3.88%

Government infrastructure spending fell by 35.3% YoY in May to Php80.1 billion, according to the Department of Budget and Management (DBM). The DBM attributed the decline to stricter review and validation procedures, particularly for the Department of Public Works and Highways projects. As of 5M26, infrastructure spending declined by 42.9% YoY to Php269.4 billion.

Globe Telecom, Inc. (PSE Ticker: GLO) has partnered with Japan's telecommunications and digital services company KDDI Corp. to explore new mobile, retail, and digital services in the Philippines. GLO said this partnership will allow them to assess KDDI's business model in Japan, including revenue streams that integrate telecommunications with financial, entertainment, lifestyle, and other digital services.

Local equities inched down, **local fixed income yields** climbed, and the **Philippine peso** weakened to an all-time low as the escalating Middle East tensions and the resulting elevated global oil prices stoked inflation concerns and dampened investor sentiment.

The PSEi closed at 6,281.01 (-0.03% DoD).

On average, yields rose by 5.38 bps, with the 2Y closing at 6.72% (+9.71 bps) and the 10Y closing at 7.61% (+6.23 bps).

The USD/PHP pair closed at 61.85 (+0.16% DoD).

Iran announced it will halt attacks as long as the US maintains its pause in military strikes. Over the weekend, the US did not launch new strikes to allow more time for diplomacy and as officials raised concerns on arsenal depletion. On the other hand, Yemeni Houthis continued targeting Saudi oil installations along the Red Sea coast.

European Central Bank (ECB) Chief Economist Philip Lane described the current inflation shock as medium-sized, which requires policy action but not aggressive moves. He added that the central bank will guide inflation back to the 2% target over the next year or so, and will closely watch for any second-round effects from higher energy prices on wages and broader inflation.

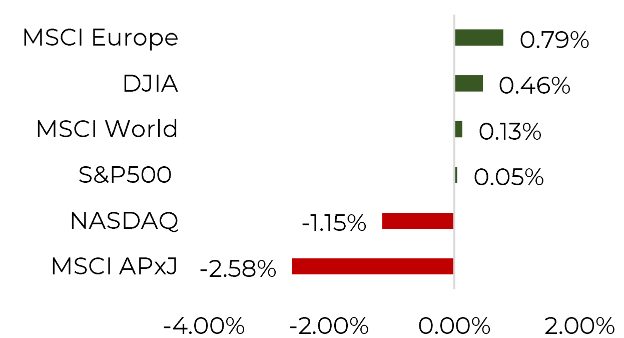
US equities slightly gained, **US Treasury yields** dropped, and the **US dollar** closed flat as global oil prices declined after the US and Iran halted strikes over the weekend. This was also following reports that Pakistan, with the support of China, is exploring a path to resume the US-Iran talks. Moreover, investors looked ahead to the US Federal Reserve's policy decision this week.

The S&P 500 closed at 7,411.98 (+0.05% DoD), while the DJIA ended at 51,947.25 (+0.46% DoD).

On average, yields fell by 0.62 bps, with the 2Y closing at 4.34% (-1.40 bps) and the 10Y closing at 4.68% (-1.60 bps).

The DXY closed at 101.47 (+0.02% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,411.98	+0.05%
DJIA	51,947.25	+0.46%
NASDAQ	28,128.34	-1.15%
3-mo US Treasury yield	3.91%	+0.60 bps
2-yr US Treasury yield	4.34%	-1.40 bps
5-yr US Treasury yield	4.43%	-2.70 bps
10-yr US Treasury yield	4.68%	-1.60 bps
DXY	101.47	+0.02%