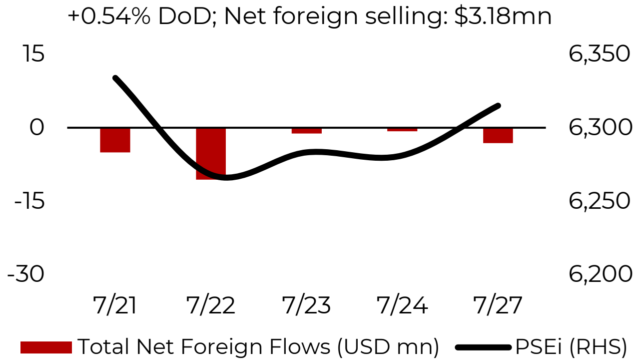
BPI WEALTH

The Morning View

July 28, 2026

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,314.90	+0.54%
3-mo bond yield	5.08%	+1.35 bps
2-yr bond yield	6.68%	-4.16 bps
5-yr bond yield	7.37%	-3.07 bps
10-yr bond yield	7.62%	+1.03 bps
USDPHP	61.68	-0.28%
Oil (Brent, $ / barrel)	88.36	-8.70%

During his fifth State of the Nation Address, President Marcos urged the Congress to pass a package of tax breaks and reforms. He proposed raising the income tax exemption threshold to those earning not more than Php350,000 annually, exempting small businesses from the minimum corporate income tax, and granting amnesty on unpaid income, estate, and VAT obligations. Moreover, he called for amendments to the EPIRA law to prohibit the charging of system losses and related VAT to consumers.

Maynilad Water Services, Inc. (PSE Ticker: MYNLD) will replace Converge Information and Communications Technology Solutions, Inc. (PSE Ticker: CNVRG) in the Philippine Stock Exchange index (PSEi), effective August 3. MYNLD qualified for early inclusion after meeting the PSEi's market capitalization and liquidity requirements, becoming only the third company to do so since the PSE introduced the rule in 2021.

Local equities rose, **local fixed income yields** fell, and the **Philippine peso** strengthened as easing global oil prices after the US and Iran paused attacks improved market sentiment.

The PSEi closed at 6,314.9 (+0.54% DoD).

On average, yields fell by 0.48 bps, with the 2Y closing at 6.68% (-4.16 bps) and the 10Y closing at 7.62% (+1.03 bps).

The USD/PHP pair closed at 61.68 (-0.28% DoD).

US President Trump said that the US and Iran are having 'positive talks' and hinted at a chance of a deal, but warned that strikes would resume if negotiations fail. However, Iran's Foreign Ministry spokesman Baghaei said that no formal peace negotiations are taking place. Meanwhile, Iran is in talks with Oman to potentially restart commercial shipping on the Strait of Hormuz.

US core capital goods orders rose by 0.9% MoM in June (Revised May: 1.9%; Consensus: 0.7%) as continued artificial intelligence-related spending boosted demand. Likewise, shipments of core capital goods jumped by 1.9% MoM (Revised May: 0.2%; Consensus: 0.6%), marking the largest rise since December 2021, led by computers and electronic products, and machinery.

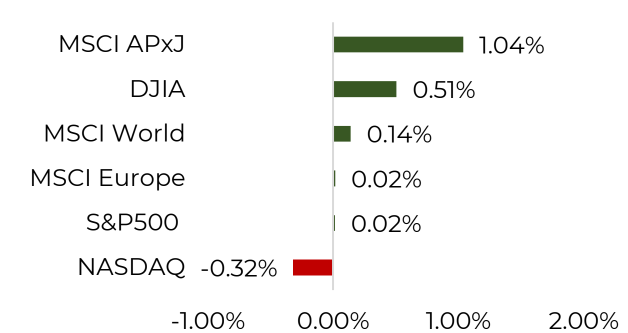
US equities inched higher, **US Treasury yields** fell, and the **US dollar** closed flat as hostilities in the Middle East eased over the weekend, pushing oil prices lower. Investors are also looking ahead to the US Federal Reserve's policy decision, as well as the June Personal Consumption Expenditures (PCE) price inflation and the 2Q26 US economic growth reports this week.

The S&P 500 closed at 7,413.18 (+0.02% DoD), while the DJIA ended at 52,210.08 (+0.51% DoD).

On average, yields fell by 1.67 bps, with the 2Y closing at 4.32% (-1.10 bps) and the 10Y closing at 4.65% (-2.80 bps).

The DXY closed at 101.54 (+0.07% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,413.18	+0.02%
DJIA	52,210.08	+0.51%
NASDAQ	28,039.21	-0.32%
3-mo US Treasury yield	3.90%	-0.30 bps
2-yr US Treasury yield	4.32%	-1.10 bps
5-yr US Treasury yield	4.41%	-2.10 bps
10-yr US Treasury yield	4.65%	-2.80 bps
DXY	101.54	+0.07%