

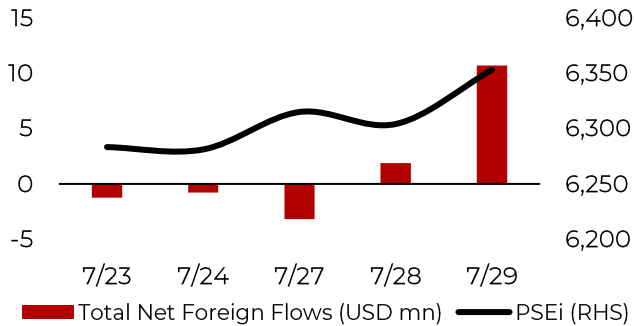


The Morning View

July 30, 2026

Philippine Stock Exchange Index

+0.78% DoD; Net foreign buying: \$10.70mn



	Level	DoD
PSEi	6,353.04	+0.78%
3-mo bond yield	5.01%	-4.04 bps
2-yr bond yield	6.65%	+0.81 bps
5-yr bond yield	7.28%	-3.54 bps
10-yr bond yield	7.44%	-3.73 bps
USDPHP	61.41	-0.33%
Oil (Brent, \$ / barrel)	90.74	+7.91%

The Department of Finance says the proposed tax relief plan will benefit at least 3.13 million workers and 78,000 small businesses, but cost Php66 billion in foregone revenues. The DoF noted that to offset the revenue losses, the government could consider imposing more excise taxes. The proposal aligns with earlier plans to raise excise taxes on vape products, heated tobacco products, and sugar-sweetened beverages.

Manila Electric Company (PSE Ticker: MER) reported 1H26 consolidated core net income of Php26.5 billion (+3.8% YoY), driven by stronger contributions from its power generation and retail electricity supply units. Revenues rose 15.7% YoY to Php283.7 billion, while energy sales volume increased 2.0% YoY to 34,328 gigawatt-hours.

Local equities rose, **local fixed income yields** fell, and the **Philippine peso** slightly strengthened as investors awaited the Fed's policy decision and continued to weigh remarks from Bangko Sentral ng Pilipinas Governor Remolona stating that a larger 50-bp hike remains possible but unlikely.

The PSEi closed at 6,353.04 (+0.78% DoD).

On average, yields fell by 2.93 bps, with the 2Y closing at 6.65% (+0.81 bps) and the 10Y closing at 7.44% (-3.73 bps).

The USD/PHP pair closed at 61.41 (-0.33% DoD).

The US Federal Reserve held rates steady at 3.50%-3.75%, with three officials dissenting and favored a 25-bp rate hike instead.

While Fed Chair Kevin Warsh acknowledged that persistent inflation could warrant tighter policy, he declined to provide guidance on what actions may be needed to bring inflation back to the Fed's 2% target.

The Houthis, a Yemen-based group backed by Iran, are reportedly considering fees for ships transiting the Bab el-Mandeb Strait. The move aims to normalize charges on international waterways and increase pressure on the US. The proposed fee structure remains under discussion, with no timeline yet for formal implementation.

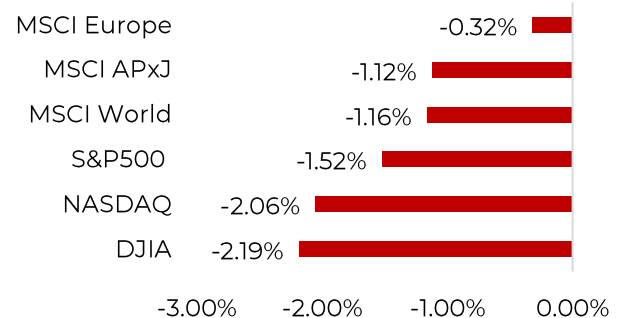
US equities declined, **US Treasury yields** were mixed, and the **US dollar** weakened as investors digested the Fed's widely expected decision to keep policy rates steady. However, the markets' focus shifted to the dissenting votes and the lack of clear forward guidance from the Fed, which left uncertainty on the policy path.

The S&P 500 closed at 7,316.15 (-1.52% DoD), while the DJIA ended at 51,594.14 (-2.19% DoD).

On average, yields rose by 1.86 bps, with the 2Y closing at 4.28% (-1.40 bps) and the 10Y closing at 4.68% (+7.30 bps).

The DXY closed at 100.89 (-0.52% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,316.15	-1.52%
DJIA	51,594.14	-2.19%
NASDAQ	27,192.31	-2.06%
3-mo US Treasury yield	3.77%	-8.60 bps
2-yr US Treasury yield	4.28%	-1.40 bps
5-yr US Treasury yield	4.41%	+3.90 bps
10-yr US Treasury yield	4.68%	+7.30 bps
DXY	100.89	-0.52%

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