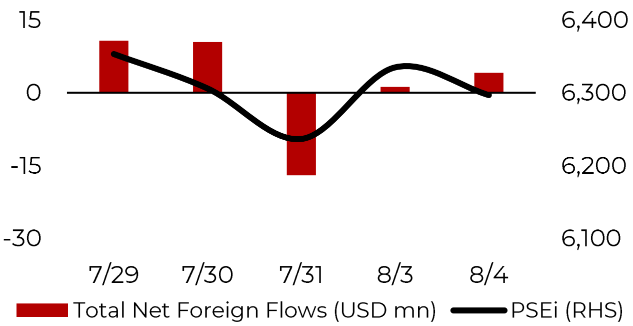
The Morning View

August 5, 2026

Philippine Stock Exchange Index

-0.60% DoD; Net foreign buying: $4.10mn



	Level	DoD
PSEi	6,296.64	-0.60%
3-mo bond yield	5.04%	+1.40 bps
2-yr bond yield	6.62%	-4.55 bps
5-yr bond yield	7.21%	-7.26 bps
10-yr bond yield	7.34%	-4.23 bps
USDPHP	61.17	+0.39%
Oil (Brent, $ / barrel)	79.36	-5.26%

Bank of America (BofA) Global Research expects the Bangko Sentral ng Pilipinas (BSP) to end its tightening cycle with a 25-bp rate hike in August. If realized, this will bring the policy rate to 5% from the current 4.75%. BofA forecasts inflation to average 6.7% in 2026, above the BSP's 6.4% projection. Meanwhile, it expects the PH economy to grow by just 2.5% this year.

Maynilad Water Services, Inc. (PSE Ticker: MYNLD) reported a net income of Php8.5 billion (+14% YoY) in 1H26, with 2Q26 contributing Php4.5 billion (+13% QoQ, +17% YoY). The increase was mainly driven by lower interest expense and taxes. Despite strong earnings, MYNLD said it is preparing for supply challenges in 2H26 as the Angat Dam water level declines.

Local equities fell, **local fixed income yields** declined, and the **Philippine peso** weakened as investors positioned ahead of the release of the local July consumer price index inflation print and the 2Q26 gross domestic product growth data this week. The July headline print came out at 6.2%, below the market expectation of 6.4% amid softer transport prices.

The PSEi closed at 6,296.64 (-0.60% DoD).

On average, yields fell by 3.79 bps, with the 2Y closing at 6.62% (-4.55 bps) and the 10Y closing at 7.34% (-4.23 bps).

The USD/PHP pair closed at 61.17 (+0.39% DoD).

US job openings dropped by 178,000 to 7.36 million in June (Consensus: 7.45 million). This was largely driven by a 147,000 decline in healthcare and social assistance vacancies, which marked the steepest drop since July 2025. On the other hand, actual hiring rose by 96,000 to 5.35 million, while layoffs were little changed and remained historically low at 1.77 million (Consensus: 1.68 million; May: 1.76 million).

US trade deficit narrowed by 5.6% MoM to $73.3 billion in June (May: -$77.6 billion; Consensus: -$73.0 billion). The narrower trade gap was mainly driven by the 1.8% MoM decline in imports, led by lower imports of capital goods. Meanwhile, exports dipped 0.9% MoM, weighed down by the lower industrial supplies and materials exports including crude oil, despite stronger services exports.

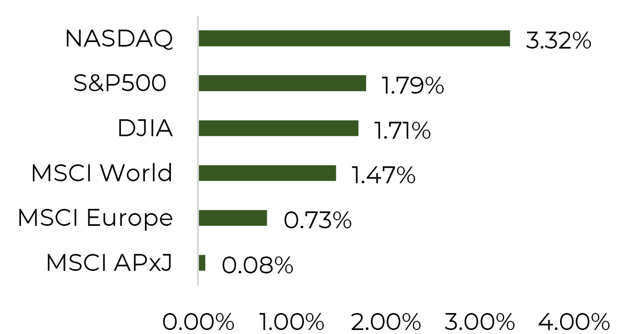
US equities jumped to new record highs, **US Treasury yields** slumped, and the **US dollar** was flat as global oil prices declined after US Treasury Secretary Bessent said that an agreement to open the Strait of Hormuz could come Tuesday or Wednesday.

The S&P 500 closed at 7,736.52 (+1.79% DoD), while the DJIA ended at 54,085.88 (+1.71% DoD).

On average, yields fell by 4.09 bps, with the 2Y closing at 4.19% (-4.50 bps) and the 10Y closing at 4.62% (-6.30 bps).

The DXY closed at 99.86 (-0.04% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,736.52	+1.79%
DJIA	54,085.88	+1.71%
NASDAQ	29,733.16	+3.32%
3-mo US Treasury yield	3.81%	+3.50 bps
2-yr US Treasury yield	4.19%	-4.50 bps
5-yr US Treasury yield	4.33%	-6.20 bps
10-yr US Treasury yield	4.62%	-6.30 bps
DXY	99.86	-0.04%