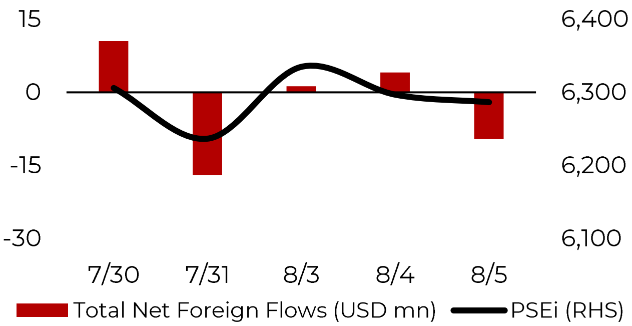
BPI WEALTH

# The Morning View

August 6, 2026

## Philippine Stock Exchange Index

-0.16% DoD; Net foreign selling: $9.64mn




| | Level | DoD |
|---|---|---|
| PSEi | 6,286.31 | -0.16% |
| 3-mo bond yield | 5.02% | -1.17 bps |
| 2-yr bond yield | 6.57% | -4.49 bps |
| 5-yr bond yield | 7.11% | -10.03 bps |
| 10-yr bond yield | 7.25% | -9.64 bps |
| USDPHP | 60.75 | -0.68% |
| Oil (Brent, $ / barrel) | 79.45 | +0.11% |

**PH headline inflation decelerated to 6.2% in July (June: 6.4%),** below the market expectation of 6.4% but still above the Bangko Sentral ng Pilipinas' 2-4% target. The decline was mainly driven by softer transport and education inflation, alongside slower price increases in restaurants and accommodation services. Meanwhile, core inflation eased to 4.2% in July (June: 4.4%).

**Globe Telecom, Inc. (PSE Ticker: GLO) registered a core net income of Php10.2 billion (-2% YoY) in 1H26.** Resilient top-line growth was dampened by higher depreciation and non-operating charges. Notably, GLO's earnings from Mynt (GCash) fell to Php1.8 billion (-12% YoY) in 2Q26, representing 28% of GLO's net income before tax (1Q26: 30%).

**Local equities** inched down on profit-taking and cautious sentiment over the earnings season as well as continued regulatory overhang for power and utility names. Meanwhile, **local fixed income yields** fell and the **Philippine peso** strengthened as investors welcomed the softer-than-expected July local inflation print.

The PSEi closed at 6,286.31 (-0.16% DoD).

On average, yields fell by 5.80 bps, with the 2Y closing at 6.57% (-4.49 bps) and the 10Y closing at 7.25% (-9.64 bps).

The USD/PHP pair closed at 60.75 (-0.68% DoD).

**US ISM Services Purchasing Managers' Index (PMI) rose less than expected to 54.1 in July (June: 54.0; Consensus: 54.5).** The reading stayed above 50.0 for over two years, indicating the continued expansion in the services sector. The improvement in July was mainly driven by the stronger business activity and new orders, but was partly tempered by contraction in employment.

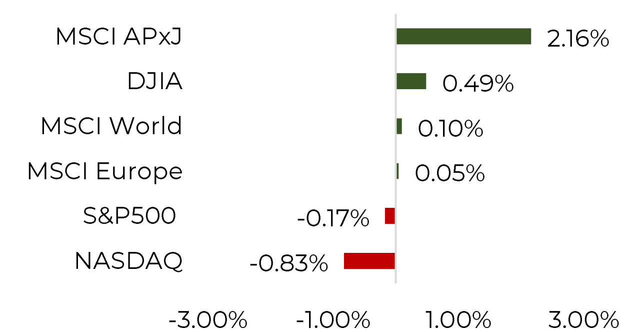
**Fed officials Lisa Cook and Neel Kashkari maintained a hawkish tone, emphasizing that inflation remains above target and that further rate hikes may be needed if price pressures persist.** Cook said she is prepared to raise rates if disinflation stalls, while Kashkari continued to advocate gradual tightening and clearer communication of the Fed's policy framework.

**US equities** closed mixed as investors digested mixed 2Q26 earnings reports, including Palantir, Mastercard, Boeing, and General Dynamics. The S&P 500 closed at 7,723.55 (-0.17% DoD), while the DJIA ended at a fresh high of 54,349.12 (+0.49% DoD).

**US Treasury yields** were flattish after the hawkish remarks from several Fed officials and the below-consensus ADP private payrolls growth of 44k jobs in July (June: 95k; Consensus: 65k). On average, yields fell by 0.15 bps, with the 2Y closing at 4.19% (-0.90 bps) and the 10Y closing at 4.62% (flat).

The **US dollar** weakened as global oil prices retreated after President Trump said that he had "good discussions" with Iran. The DXY closed at 99.68 (-0.18% DoD).

## Global Stock Indices




| | Level | DoD |
|---|---|---|
| S&P 500 | 7,723.55 | -0.17% |
| DJIA | 54,349.12 | +0.49% |
| NASDAQ | 29,487.79 | -0.83% |
| 3-mo US Treasury yield | 3.82% | +1.10 bps |
| 2-yr US Treasury yield | 4.19% | -0.90 bps |
| 5-yr US Treasury yield | 4.33% | 0.00 bps |
| 10-yr US Treasury yield | 4.62% | 0.00 bps |
| DXY | 99.68 | -0.18% |