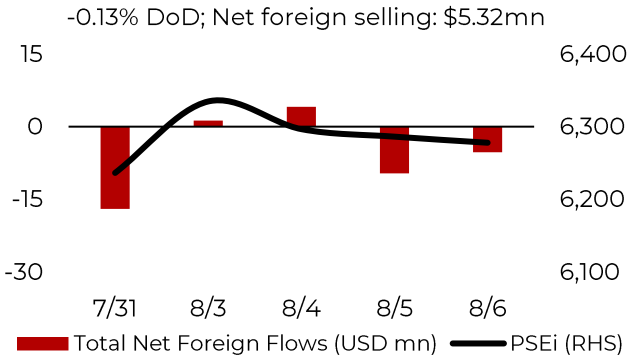
The Morning View

August 7, 2026

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,277.95	-0.13%
3-mo bond yield	5.03%	+0.12 bps
2-yr bond yield	6.55%	-2.76 bps
5-yr bond yield	7.09%	-1.29 bps
10-yr bond yield	7.24%	-0.68 bps
USDPHP	60.82	+0.11%
Oil (Brent, $ / barrel)	82.49	+3.83%

The Philippine Statistics Authority (PSA) reported that the PH unemployment rate rose to 4.9% in June (May: 4.8%), as the number of jobless Filipinos increased to 2.59 million from May. The PSA attributes the increase to higher labor force participation as new graduates entered the workforce. The underemployment rate inched down to 12.1% in June (May: 12.2%).

Century Pacific Food, Inc. (PSE Ticker: CNPF) posted a Php2.0 billion (+2% YoY) net income in 2Q26, bringing 1H26 earnings to Php4.1 billion (+6% YoY). Results were driven by double-digit growth in both the branded and export segments, partly offset by higher interest and tax expenses and earthquake-related provisions. Excluding one-off items, core net income increased 10% YoY.

Local equities inched down, **local fixed income yields** fell, and the **Philippine peso** slightly weakened as investors positioned ahead of the 2Q26 local Gross Domestic Product (GDP) growth print to be released today. Bloomberg consensus expects the Philippine economy to grow by 2.9% in 2Q26 from 2.8% in 1Q26.

The PSEi closed at 6,277.95 (-0.13% DoD).

On average, yields fell by 0.82 bps, with the 2Y closing at 6.55% (-2.76 bps) and the 10Y closing at 7.24% (-0.68 bps).

The USD/PHP pair closed at 60.82 (+0.11% DoD).

St. Louis Fed President Alberto Musalem, who is not a voting member in 2026, said he favored a 25-bp hike in the July policy meeting. Musalem noted that earlier and gradual tightening would be less disruptive than abrupt future changes. He also warned about the Fed's credibility as it tolerates elevated inflation for future productivity gains.

US weekly jobless claims inched up by 1,000 to 199,000 (Consensus: 205,000) for the week ended August 1. Meanwhile, continuing claims rose by 24,000 to 1.80 million (Consensus: 1.79 million) for the week ended July 25.

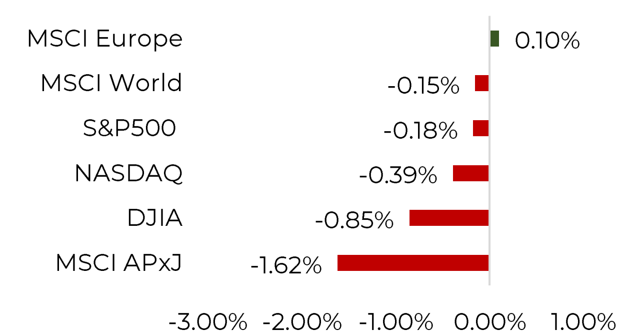
US equities fell as investors digested mixed 2Q26 earnings reports, including Constellation Energy, ConocoPhilips, and Cloudflare, Inc. Investors also kept an eye on the developments in the Middle East tensions. The S&P 500 closed at 7,709.96 (-0.18% DoD), while the DJIA ended at 53,885.10 (-0.85% DoD).

US Treasury yields soared, and the **US dollar** strengthened amid safe-haven positioning as investors weighed the reports that Iran is considering to ban US and Israeli vessels from transiting the Strait of Hormuz, sending global oil prices higher.

On average, yields rose by 4.77 bps, with the 2Y closing at 4.25% (+6.70 bps) and the 10Y closing at 4.68% (+6.70 bps).

The DXY closed at 99.93 (+0.25% DoD).

Global Stock Indices



	Level	DoD
S&P 500	7,709.96	-0.18%
DJIA	53,885.10	-0.85%
NASDAQ	29,373.33	-0.39%
3-mo US Treasury yield	3.83%	+0.80 bps
2-yr US Treasury yield	4.25%	+6.70 bps
5-yr US Treasury yield	4.40%	+7.10 bps
10-yr US Treasury yield	4.68%	+6.70 bps
DXY	99.93	+0.25%