

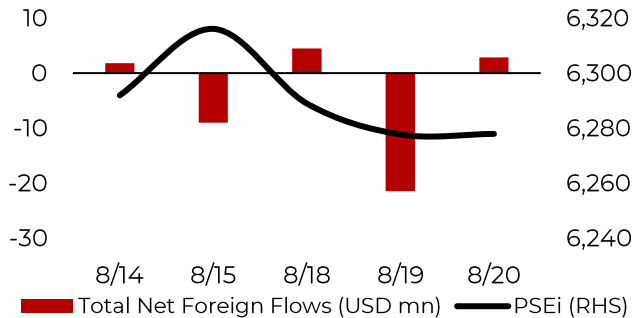


The Morning View

August 22, 2025

Philippine Stock Exchange Index

+0.00% DoD; Net foreign buying: \$2.83mn



	Level	DoD
PSEi*	6,277.87	+0.00%
3-mo bond yield*	5.27%	+0.16 bps
2-yr bond yield*	5.67%	+1.02 bps
5-yr bond yield*	5.85%	+0.74 bps
10-yr bond yield*	5.97%	-1.35 bps
USDPHP*	56.96	-0.25%
Oil (Brent, \$ / barrel)	67.67	+1.24%

*As of August 20, 2025

S&P Global flash US Composite Purchasing Managers' Index (PMI) unexpectedly inched up to 55.4 in August (July: 55.1; Consensus: 53.5). Gains were driven by the improvement in employment, and unexpected expansion in manufacturing activity as new orders rose. However, manufacturing and services firms reported higher input prices amid the higher tariffs.

Cleveland Fed President Hammack and Chicago Fed President Goolsbee said that the recent unexpectedly high inflation data support holding rates steady in the upcoming policy meeting. Meanwhile, Boston Fed President Collins said that it may be appropriate to cut rates given the risk of a worsening labor market.

US equities fell, US Treasury yields rose, and the US dollar strengthened as investors digested the July Fed meeting minutes, which showed that policymakers broadly supported keeping rates steady but highlighted risks to both inflation and employment. The market also looked ahead to Fed Chair Powell's speech at the Jackson Hole symposium.

The S&P 500 closed at 6,370.17 (-0.40% DoD), while the DJIA ended at 44,785.50 (-0.34% DoD).

On average, yields rose by 3.36 bps, with the 2Y closing at 3.80% (+4.60 bps) and the 10Y closing at 4.33% (+3.70 bps).

The DXY closed at 98.62 (+0.41% DoD).

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The National Government's infrastructure spending rose to Php148.8 billion in June (+6.5% YoY). This was a rebound from May's 9.2% YoY decline as disbursements for public works projects resumed after the election ban. However, the Department of Budget and Management said infrastructure spending was tempered due to last year's large releases for the Armed Forces of the Philippines Modernization Program.

SM Prime Holdings, Inc. (PSE Ticker: SMPH) is deferring the initial public offering of its planned real estate investment trust beyond 2026. SM Prime Chief Finance Officer John Ong attributed this to unfavorable market conditions and market liquidity. He also stated that SMPH is considering sustainability-linked debt instruments and green bonds as options to raise funds.

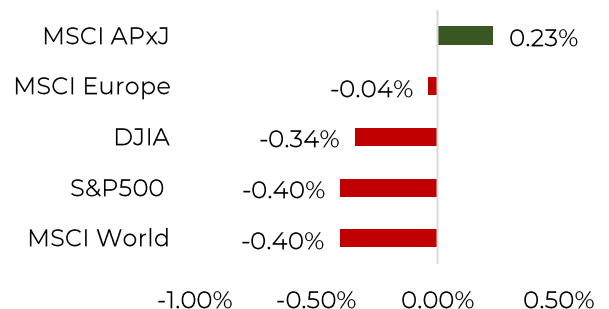
Local equities ended flat, local fixed income yields were mixed, and the Philippine peso strengthened amid a lack of fresh local catalysts ahead of the August 21 holiday. Investors also remained cautious before the release of the Fed's July meeting minutes and Fed Chair Powell's speech at the Jackson Hole Symposium.

The PSEi was unchanged at 6,277.87 (+0.00% DoD).

On average, yields inched down by 0.04 bps, with the 2Y closing at 5.67% (+1.02 bps) and the 10Y closing at 5.97% (-1.35 bps).

The USD/PHP pair closed at 56.96 (-0.25% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,370.17	-0.40%
DJIA	44,785.50	-0.34%
3-mo US Treasury yield	4.24%	+1.50 bps
2-yr US Treasury yield	3.80%	+4.60 bps
5-yr US Treasury yield	3.86%	+4.40 bps
10-yr US Treasury yield	4.33%	+3.70 bps
DXY	98.62	+0.41%