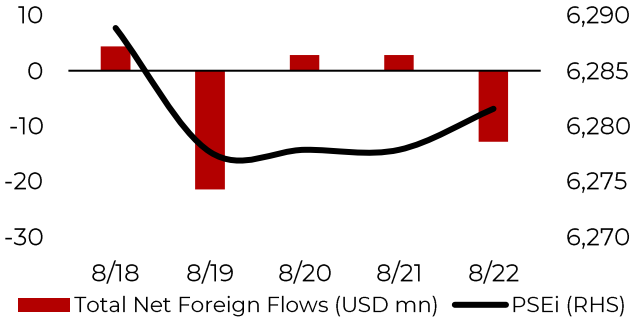


# The Morning View

August 26, 2025

## Philippine Stock Exchange Index

+0.06% DoD; Net foreign selling: \$12.79mn



	Level	DoD
PSEi*	6,281.58	+0.06%
3-mo bond yield*	5.26%	-0.88 bps
2-yr bond yield*	5.67%	+0.43 bps
5-yr bond yield*	5.84%	-0.58 bps
10-yr bond yield*	6.00%	+2.79 bps
USDPHP*	56.95	-0.02%
Oil (Brent, \$ / barrel)	67.73	+0.09%

\*As of August 22, 2025

**Federal Reserve Chairman Jerome Powell signaled a possible rate cut in September despite lingering inflation pressures due to rising job market risks.** Powell mentioned that the slowing in both the supply of and the demand for workers could suggest that the downside risks to employment are rising.

**US new home sales dipped by 0.6% MoM to 652,000 units in July, following the upwardly revised 4.1% rise in June.** The July print also came in below the market's expectation of a 0.5% MoM rise as high borrowing costs continued to stifle housing demand.

**US equities fell and the US Treasury yields dropped** as investors continued to digest Fed Chair Powell's dovish comments during the Jackson Hole Symposium. The market also positioned ahead of the US Personal Consumption Expenditure data release on Friday and Nvidia's earnings report on Wednesday.

The S&P 500 closed at 6,439.32 (-0.43% DoD), while the DJIA ended at 45,282.47 (-0.77% DoD).

On average, yields fell by 1.46 bps, with the 2Y closing at 3.73% (-2.40 bps) and the 10Y closing at 4.28% (-1.60 bps).

The **US dollar** slightly strengthened following comments of St. Louis Fed President Musalem, stating that more data is needed to decide on a September rate cut. The DXY closed at 98.43 (+0.73% DoD).

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**The Bangko Sentral ng Pilipinas (BSP) is widely expected to cut its policy rate by 25 bps at its Aug. 28 policy meeting.** A BusinessWorld poll showed all 20 analysts surveyed expect the BSP to reduce the target reverse repurchase rate, citing the continued downtrend in inflation and a slowdown in economic growth.

**Manila Electric Co. (PSE Ticker: MER) has been allowed by the Energy Regulatory Commission (ERC) to procure 100 megawatts of baseload power supply from a power plant of Aboitiz Power Corp (PSE Ticker: AP).** The ERC granted interim relief to Meralco for the implementation of the power supply agreement (PSA) at an annual capacity rate of Php17,228.88, excluding other charges such as fuel costs. The PSA will cover Meralco's future baseload requirements over a 15-year period starting Aug. 26.

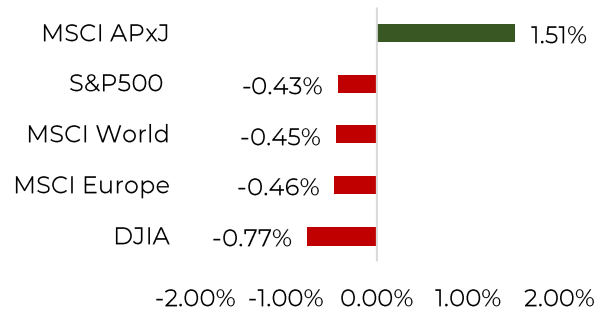
**Local equities inched up, local fixed income yields fell on average,** and the **Philippine peso** was flat last Friday as investors stayed on the sidelines ahead of US Fed Chair Powell's speech at the Jackson Hole Symposium after markets' close. On August 25, local markets were closed amid the National Heroes' Day celebration.

The PSEi closed at 6,281.58 (+0.06% DoD).

On average, yields fell by 0.50 bps, with the 2Y closing at 5.67% (+0.43 bps) and the 10Y closing at 6.00% (+2.79 bps).

The USD/PHP pair closed at 56.95 (-0.02% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	6,439.32	-0.43%
DJIA	45,282.47	-0.77%
3-mo US Treasury yield	4.20%	-2.30 bps
2-yr US Treasury yield	3.73%	-2.40 bps
5-yr US Treasury yield	3.79%	-2.60 bps
10-yr US Treasury yield	4.28%	-1.60 bps
DXY	98.43	+0.73%

As of August 25, 2025