

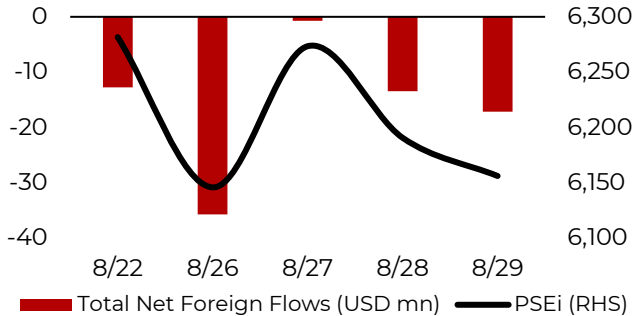


# The Morning View

September 1, 2025

## Philippine Stock Exchange Index

-0.56% DoD; Net foreign selling: \$17.19mn



	Level	DoD
PSEi	6,155.57	-0.56%
3-mo bond yield	5.23%	-0.19 bps
2-yr bond yield	5.62%	+0.41 bps
5-yr bond yield	5.81%	+4.64 bps
10-yr bond yield	6.02%	+1.76 bps
USDPHP	57.13	+0.02%
Oil (Brent, \$ / barrel)	68.12	-0.73%

**US core Personal Consumption Expenditures (PCE) price index inflation rose to 2.9% YoY in July (June: 2.8%), matching the market's expectation.** On a monthly basis, core PCE inflation was steady at 0.3%, also in line with consensus forecast.

**China's manufacturing Purchasing Managers' Index (PMI) picked up to 49.4 in August (July: 49.3; Consensus: 49.5), according to the National Bureau of Statistics.** The reading stayed below 50 for the fifth straight month, indicating a continued contraction in the manufacturing sector. This suggests that producers are still awaiting further clarity on the US-China trade deal while domestic demand remained sluggish.

**US equities fell, US Treasury yields ended mixed, and the US dollar slightly weakened** after the core PCE inflation print in July came in line with street's expectations. Moreover, investors took profits on US equities after hitting all-time highs.

The S&P 500 closed at 6,460.26 (-0.64% DoD), while the DJIA ended at 45,544.88 (-0.20% DoD).

On average, yields rose by 1.03 bps, with the 2Y closing at 3.62% (-1.40 bps) and the 10Y closing at 4.23% (+2.50 bps).

The DXY closed at 97.77 (-0.04% DoD).

**The Bangko Sentral ng Pilipinas (BSP) expects the August local headline inflation to have picked up to 1.0%-1.8% YoY, while the BusinessWorld poll yielded a median forecast of 1.3% YoY.**

Upward price pressures are likely due to higher food, electricity, and fuel costs, as well as the weaker peso. These could be partly mitigated by easing rice and meat prices. The Philippine Statistics Authority is set to release the August inflation report on September 5.

**Manila Electric Co. (PSE Ticker: MER) and First Gen Corp. (FGEN) have been allowed by the Energy Regulatory Commission to continue procuring power from FGEN's 1,000-megawatt gas-fired power plant in Batangas.** The interim extension of the power purchase agreement will last until January 31, 2026.

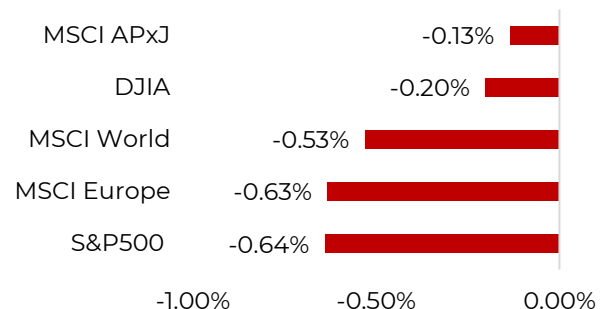
**Local equities fell, and local fixed income yields rose** following BSP Governor Remolona's less dovish guidance, hinting that monetary policy easing could be nearing its end.

The PSEi closed at 6,155.57 (-0.56% DoD).

On average, yields rose by 1.16 bps, with the 2Y closing at 5.62% (+0.41 bps) and the 10Y closing at 6.02% (+1.76 bps).

The **Philippine peso** closed flat ahead of the release of the key US inflation report for July. The USD/PHP pair closed at 57.13 (+0.02% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	6,460.26	-0.64%
DJIA	45,544.88	-0.20%
3-mo US Treasury yield	4.15%	-3.00 bps
2-yr US Treasury yield	3.62%	-1.40 bps
5-yr US Treasury yield	3.70%	+0.60 bps
10-yr US Treasury yield	4.23%	+2.50 bps
DXY	97.77	-0.04%

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