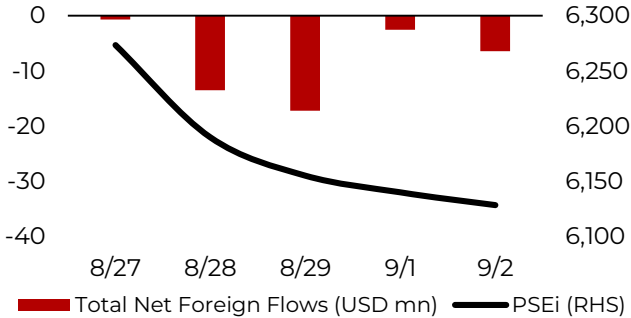


The Morning View

September 3, 2025

Philippine Stock Exchange Index

-0.19% DoD; Net foreign selling: \$6.43mn



	Level	DoD
PSEi	6,128.89	-0.19%
3-mo bond yield	5.20%	-3.30 bps
2-yr bond yield	5.62%	-0.03 bps
5-yr bond yield	5.83%	+2.15 bps
10-yr bond yield	6.02%	+0.03 bps
USDPHP	57.51	+0.61%
Oil (Brent, \$ / barrel)	69.14	+1.45%

Finance Secretary Recto noted that economic losses from the alleged anomalous flood control projects between 2023 to 2025 may have reached as much as Php118.5 billion. He said the estimates, based on anecdotal evidence, suggest that 25% to 70% of the total project cost was lost. He added these funds could have potentially created up to 266,000 jobs and boosted gross domestic product (GDP) growth to 6% in 2024 (Actual: 5.7%).

Manila Electric Co. (PSE Ticker: MER) said that its unit, Meralco Industrial Engineering Services Corp., has acquired 400,000 common shares of Customer Frontline Services Corp. (CFS) for Php74.0 million. CFS, a subsidiary of Bayad Center, offers outsourced teller and customer services.

Local equities fell amid a lack of positive catalysts and ahead of the August local inflation data release this Friday. Meanwhile, **local fixed income yields** ended mixed, and the **Philippine peso** weakened as investors digested Recto's signal of another possible rate cut by year-end. The peso was also weighed down by a stronger US dollar amid concerns over Britain's fiscal position.

The PSEi closed at 6,128.89 (-0.19% DoD).

On average, yields fell by 0.42 bps, with the 2Y closing at 5.62% (-0.03 bps) and the 10Y closing at 6.02% (+0.03 bps).

The USD/PHP pair closed at 57.51 (+0.61% DoD).

US ISM Manufacturing Purchasing Managers' Index (PMI) rose to 48.7 in August (July: 48.0, Consensus: 49.0). This remained below the 50.0 expansionary threshold for the sixth straight month. While new orders rebounded, supply constraints and uncertainty over US tariffs continued to weigh on the manufacturing sector.

US construction spending fell by 0.1% MoM in July (June: -0.4%), in line with consensus estimates. The modest decline came from lower spending in private construction amid high mortgage rates and a slowing job market. This was partially offset by higher outlays on public construction.

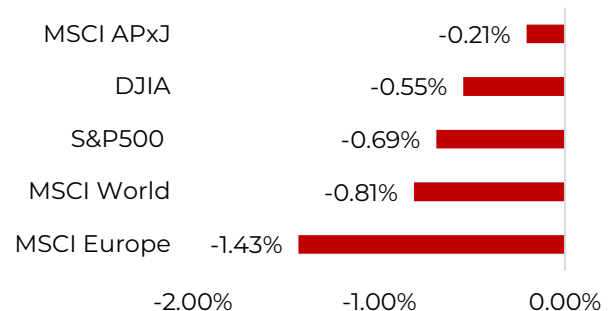
US equities fell and **US Treasury yields** rose after the federal appeals court's ruling that most of Trump's tariffs are illegal sparked concerns about the fiscal implications for the US. Investors also looked ahead to key US labor data releases this week.

The S&P 500 closed at 6,415.54 (-0.69% DoD), while the DJIA ended at 45,295.81 (-0.55% DoD).

On average, yields rose by 1.65 bps, with the 2Y closing at 3.64% (+2.20 bps) and the 10Y closing at 4.26% (+3.10 bps).

The **US dollar** strengthened as the sterling and yen were weighed by concerns over Britain's fiscal outlook and Japan's political uncertainty. The DXY closed at 98.40 (+0.64% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,415.54	-0.69%
DJIA	45,295.81	-0.55%
3-mo US Treasury yield	4.14%	-1.60 bps
2-yr US Treasury yield	3.64%	+2.20 bps
5-yr US Treasury yield	3.72%	+2.60 bps
10-yr US Treasury yield	4.26%	+3.10 bps
DXY	98.40	+0.64%

This material, which is strictly for information purposes only, is for your sole use, does not constitute a recommendation or an offer to sell or a solicitation to buy any financial product. Any information is subject to change without notice and BPI Wealth is not under any obligation to update or keep current the information contained herein. You are advised to make your own independent judgment with respect to the matter contained in this document. No liability whatsoever is accepted for any loss that may arise (whether direct or consequential) from any use of the information contained herein.

All funds managed by BPI Wealth are Trust and/or Investment Management Funds, which do not carry any guarantee of income or principal, and are NOT covered by the Philippine Deposit Insurance Corporation. Past performance is not a guarantee of future results. BPI Wealth Investment Funds are valued daily using the marked-to-market method.