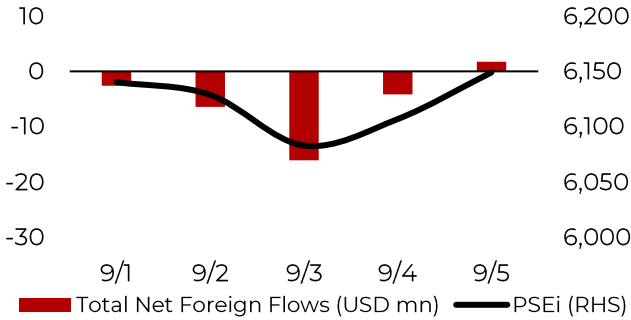


The Morning View

September 8, 2025

Philippine Stock Exchange Index

+0.69% DoD; Net foreign buying: \$1.77mn



	Level	DoD
PSEi	6,149.13	+0.69%
3-mo bond yield	5.18%	-0.66 bps
2-yr bond yield	5.63%	-0.06 bps
5-yr bond yield	5.84%	-1.38 bps
10-yr bond yield	6.00%	-0.11 bps
USDPHP	56.92	-0.11%
Oil (Brent, \$ / barrel)	65.50	-2.22%

The Bangko Sentral ng Pilipinas (BSP) reported that PH gross international reserves settled at \$105.91 billion as of end-August (+0.46% MoM, -1.81% YoY). This is equivalent to 7.2 months' worth of imports of goods and payments of services and primary income. The MoM increase was driven by higher gold prices and foreign exchange holdings, which offset lower foreign investments.

Manila Electric Company (PSE Ticker: MER) is seeking approval from the Energy Regulatory Commission (ERC) for a 20-year renewable energy supply agreement with First Quezon Biogas Corp. (FQBC). The deal involves 1.25 megawatts of baseload power sourced from FQBC's biogas plant in Candelaria, Quezon, and is projected to deliver around Php15.2 million in consumer savings.

Local equities rose, local fixed income yields fell, and the Philippine peso strengthened as investors digested the August PH inflation print of 1.5%, which exceeded the market's expectation of 1.2% and the BSP's month-ahead median forecast of 1.4%. Nonetheless, this figure remained below the BSP's 2-4% target. This was also ahead of the release of key labor data in the US.

The PSEi closed at 6,149.13 (+0.69% DoD).

On average, yields fell by 0.86 bps, with the 2Y closing at 5.63% (-0.06 bps) and the 10Y closing at 6.00% (-0.11 bps).

The USD/PHP pair closed at 56.92 (-0.11% DoD).

US nonfarm payroll additions dropped more than expected to 22,000 in August (Revised July: 79,000; Consensus: 75,000). Job gains were led by the healthcare and social assistance sectors, but were partially offset by losses in the federal government, wholesale trade, and manufacturing. Meanwhile, the unemployment rate ticked higher to 4.3% in August (July: 4.2%), in line with consensus.

Chicago Fed President Austan Goolsbee remained undecided whether September is the right timing for a policy rate cut. While Goolsbee said that the August job growth was "definitely" below what is needed to hold the unemployment rate stable, he said that he wanted to get more information about inflation.

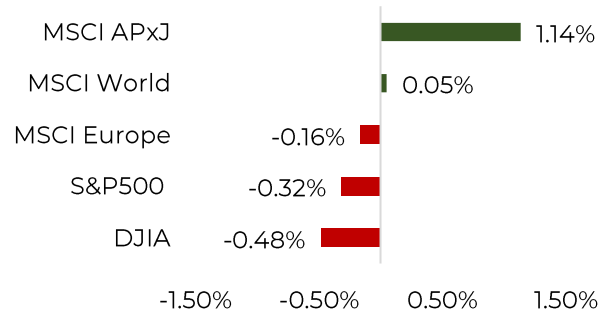
US equities declined, US Treasury yields fell, and the US dollar weakened after the significantly lower-than-expected August US nonfarm payroll additions fueled concerns about a potential economic slowdown. The weak labor data also reinforced bets of a September policy rate cut.

The S&P 500 closed at 6,481.50 (-0.32% DoD), while the DJIA ended at 45,400.86 (-0.48% DoD).

On average, yields fell by 7.95 bps, with the 2Y closing at 3.51% (-7.90 bps) and the 10Y closing at 4.08% (-8.50 bps).

The DXY closed at 97.77 (-0.59% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,481.50	-0.32%
DJIA	45,400.86	-0.48%
3-mo US Treasury yield	4.02%	-7.10 bps
2-yr US Treasury yield	3.51%	-7.90 bps
5-yr US Treasury yield	3.58%	-6.40 bps
10-yr US Treasury yield	4.08%	-8.50 bps
DXY	97.77	-0.59%

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