

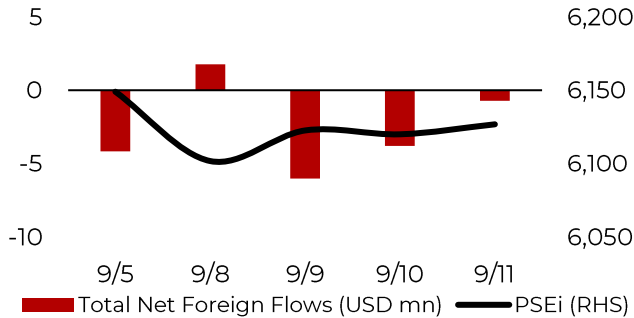


The Morning View

September 12, 2025

Philippine Stock Exchange Index

+0.11% DoD; Net foreign buying: \$2.64mn



	Level	DoD
PSEi	6,126.89	+0.11%
3-mo bond yield	5.11%	-0.73 bps
2-yr bond yield	5.59%	-0.28 bps
5-yr bond yield	5.80%	-0.16 bps
10-yr bond yield	5.96%	-0.11 bps
USDPHP	57.19	+0.12%
Oil (Brent, \$ / barrel)	66.37	-1.66%

The Bangko Sentral ng Pilipinas reported that the total assets of Philippine banks rose 6.97% YoY to Php27.74 trillion as of end-July. The growth was led by the increase in the net total loan portfolio (+11.15%) and investments (+7.19%). Assets in universal and commercial banks posted a 6.5% YoY rise, while digital banks saw a notable 32.5% YoY expansion.

Manila Electric Co.'s (PSE Ticker: MER) power supply agreements with San Miguel Global Power Corp. and ACEN Corporation (PSE Ticker: ACEN) has been approved by the Energy Regulatory Commission. This allowed for rates higher than the provisional Php5.1908 per kilowatt-hour and secured MER 479 megawatts of renewable capacity.

Local equities inched up and **local fixed income yields** fell after the US producer price index (PPI) inflation print surprised to the downside in August. Combined with a weakening US labor market, the lower PPI supported bets of a September Fed rate cut.

The PSEi closed at 6,126.89 (+0.11% DoD).

On average, yields fell by 0.64 bps, with the 2Y closing at 5.59% (-0.28 bps) and the 10Y closing at 5.96% (-0.11 bps).

The **Philippine peso** slightly weakened as investors awaited the US consumer price index inflation data which was released overnight. The USD/PHP pair closed at 57.19 (+0.12% DoD).

US Consumer Price Index (CPI) inflation accelerated to 2.9% YoY in August (July: 2.7%), in line with market expectations. The hotter print was attributed to higher shelter costs and food prices. Meanwhile, core CPI inflation was steady at 3.1% in August, also in line with consensus forecast.

European Central Bank (ECB) held interest rates steady as expected by the market. The deposit facility, main refinancing operations, and marginal lending facility were unchanged at 2.00%, 2.15%, and 2.40%, respectively. The ECB stated that the decision was on the back of inflation currently around its 2% medium-term target and its steady inflation outlook.

US equities rose, **US Treasury yields** fell, and the **US Dollar** weakened as investors assessed the August CPI inflation print which came in line with market expectations. This was also after the weekly initial jobless claims surged by 27,000 to 263,000, boosting bets for a Fed rate cut this upcoming September policy meeting.

The S&P 500 closed at 6,587.47 (+0.85% DoD), while the DJIA ended at 46,108.00 (+1.36% DoD).

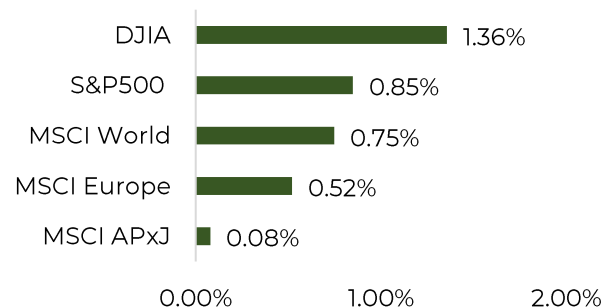
On average, yields fell by 1.67 bps, with the 2Y closing at 3.55% (0.00 bps) and the 10Y closing at 4.02% (-2.50 bps).

The DXY closed at 97.53 (-0.25% DoD).

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Global Stock Indices



	Level	DoD
S&P 500	6,587.47	+0.85%
DJIA	46,108.00	+1.36%
3-mo US Treasury yield	4.03%	-0.60 bps
2-yr US Treasury yield	3.55%	0.00 bps
5-yr US Treasury yield	3.60%	-0.20 bps
10-yr US Treasury yield	4.02%	-2.50 bps
DXY	97.53	-0.25%