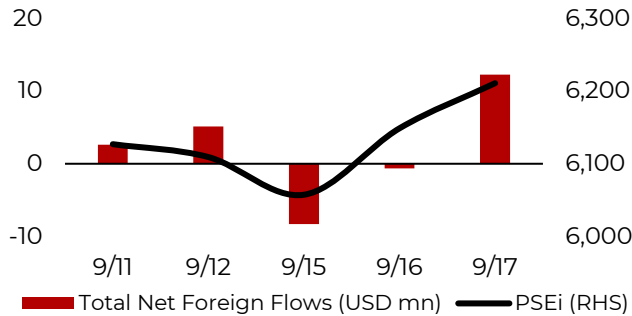


The Morning View

September 18, 2025

Philippine Stock Exchange Index

+1.01% DoD; Net foreign buying: \$12.23mn



	Level	DoD
PSEi	6,210.66	+1.01%
3-mo bond yield	5.04%	-2.00 bps
2-yr bond yield	5.57%	-0.25 bps
5-yr bond yield	5.79%	-0.13 bps
10-yr bond yield	5.94%	-0.17 bps
USDPHP	56.89	-0.04%
Oil (Brent, \$ / barrel)	67.95	-0.76%

The Department of Public Works and Highways (DPWH) cut its 2026 budget by Php255.53 billion to Php625.78 billion. DPWH Secretary Dizon said that the revised budget removed funding for completed or duplicate projects. The budget reduction was also in line with President Marcos, Jr.'s directive to remove all locally funded flood control projects amounting to Php252 billion.

SM Prime Holdings, Inc. (PSE Ticker: SMPH) announced that its subsidiary, SM Leisure Resort Residences, is set to turn over two residential projects in Tagaytay City. The Scottsdale Villas is expected to be ready for turnover by December 2025, while the Redstone Condominiums is scheduled for turnover by March 2026.

Local equities rose, **local fixed income yields** inched lower, and the **Philippine peso** closed flat ahead of the US Fed's policy rate decision and revised economic projections, which were released overnight. Investors also cheered Finance Secretary Recto's remarks that the Bangko Sentral ng Pilipinas could deliver another rate cut this year.

The PSEi closed at 6,210.66 (+1.01% DoD).

On average, yields fell by 0.62 bps, with the 2Y closing at 5.57% (-0.25 bps) and the 10Y closing at 5.94% (-0.17 bps).

The USD/PHP pair closed at 56.89 (-0.04% DoD).

The Federal Reserve cut its policy rate by 25 bps to 4.00%–4.25% in its September policy meeting. Moreover, policymakers projected two more cuts in 2025, citing labor market concerns. The Fed also updated their economic projections for 2025, with a gross domestic product (GDP) growth of 1.6% (vs. 1.4% in June), while the unemployment rate and the core personal consumption expenditures (PCE) inflation projections were steady at 4.5% and 3.0%, respectively.

Fed Chair Jerome Powell stated that while inflation is still a concern, the Fed cannot ignore its maximum employment mandate. He noted that the recent pace of job creation has fallen below the rate needed to hold unemployment steady.

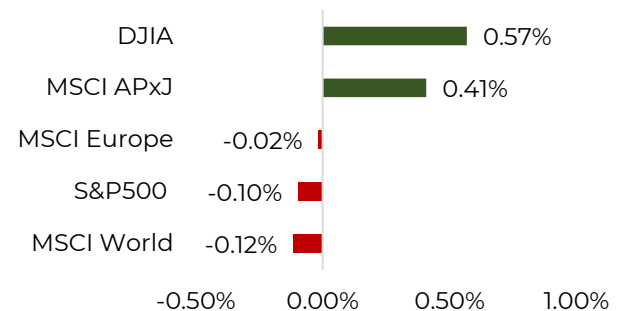
US equities were mixed, **US Treasury yields** rose, and the **US dollar** strengthened after investors took profits after the broadly expected 25-bp cut by the Fed. The markets also assessed the updated economic projections and policy rate path outlook of the Fed.

The S&P 500 closed at 6,600.35 (-0.10% DoD), while the DJIA ended at 46,018.32 (+0.57% DoD).

On average, yields rose by 3.20 bps, with the 2Y closing at 3.56% (+5.00 bps) and the 10Y closing at 4.09% (+6.10 bps).

The DXY closed at 96.87 (+0.25% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,600.35	-0.10%
DJIA	46,018.32	+0.57%
3-mo US Treasury yield	3.98%	+0.20 bps
2-yr US Treasury yield	3.56%	+5.00 bps
5-yr US Treasury yield	3.66%	+6.90 bps
10-yr US Treasury yield	4.09%	+6.10 bps
DXY	96.87	+0.25%

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