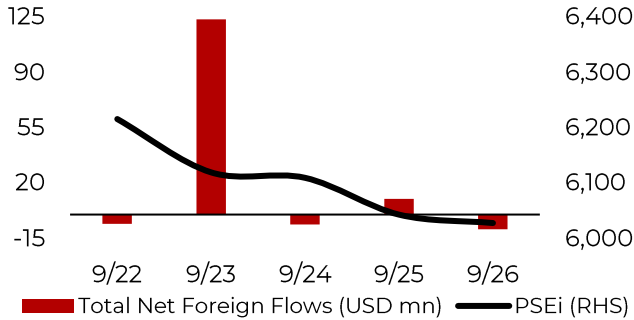


# The Morning View

September 29, 2025

## Philippine Stock Exchange Index

-0.25% DoD; Net foreign selling: \$9.49mn



	Level	DoD
PSEi	6,027.12	-0.25%
3-mo bond yield	4.94%	+0.12 bps
2-yr bond yield	5.55%	+0.84 bps
5-yr bond yield	5.84%	+2.90 bps
10-yr bond yield	6.03%	+2.12 bps
USDPHP	58.10	0.00%
Oil (Brent, \$ / barrel)	70.13	+1.02%

**A Bangko Sentral ng Pilipinas (BSP) survey showed that the overall confidence index for businesses weakened to 23.2% in 3Q25 (3Q24: 32.9%).** This was attributed to lower demand during the 'ghost month' and the typhoon season. On a positive note, business confidence for 4Q25 improved to 49.5% as businesses anticipate higher consumer spending ahead of the holidays.

**Manila Electric Company's (PSE Ticker: MER) subsidiary, Meralco Powergen Corp., said it is considering raising funds through the local capital market through a real estate investment trust listing.** The potential move comes alongside the planned listing of MGEN Renewable Energy, Inc., which is targeted for 2H26.

**Local equities** fell and **local fixed income yields** rose as investors weighed the surge in the National Government's gross borrowings in August and the upward revision to 2Q25 US Gross Domestic Product growth which tempered bets of Fed rate cuts. Meanwhile, the **Philippine peso** closed flat ahead of the release of the US core personal consumption expenditure inflation for August.

The PSEi closed at 6,027.12 (-0.25% DoD).

On average, yields rose by 0.94 bps, with the 2Y closing at 5.55% (+0.84 bps) and the 10Y closing at 6.03% (+2.12 bps).

The USD/PHP pair closed at 58.10 (0.00% DoD).

**US core PCE Price Index inflation remained steady at 2.9% YoY in August, matching market's expectations.** Goods prices increased by 0.1% YoY, while services rose 0.3% YoY. Month-on-month, core PCE inflation was also unchanged at 0.2% in August, in line with consensus forecast.

**University of Michigan's Consumer Sentiment Index fell to 55.1 in September (August: 55.4, Consensus: 55.4)** amid consumers' concerns on the rising risks to business conditions, labor market, and inflation. Moreover, households' year-ahead inflation expectation inched lower to 4.7% in September (August: 4.8%), while the five-year expectation fell to 3.7% (August: 3.9%).

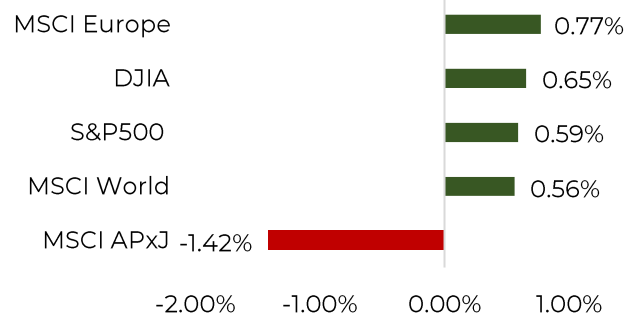
**US equities** rose and the **US dollar** weakened after the August US core PCE data, which matched expectations, as well as the weaker-than-expected University of Michigan consumer sentiment report. Meanwhile, **US Treasury yields** jumped as investors looked ahead to the Job Openings and Labor Turnover Survey later this week.

The S&P 500 closed at 6,643.70 (+0.59% DoD), while the DJIA ended at 46,247.29 (+0.65% DoD).

On average, yields rose by 2.42 bps, with the 2Y closing at 3.65% (+3.90 bps) and the 10Y closing at 4.18% (+2.80 bps).

The DXY closed at 98.15 (-0.41% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	6,643.70	+0.59%
DJIA	46,247.29	+0.65%
3-mo US Treasury yield	3.96%	-0.20 bps
2-yr US Treasury yield	3.65%	+3.90 bps
5-yr US Treasury yield	3.77%	+4.80 bps
10-yr US Treasury yield	4.18%	+2.80 bps
DXY	98.15	-0.41%

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