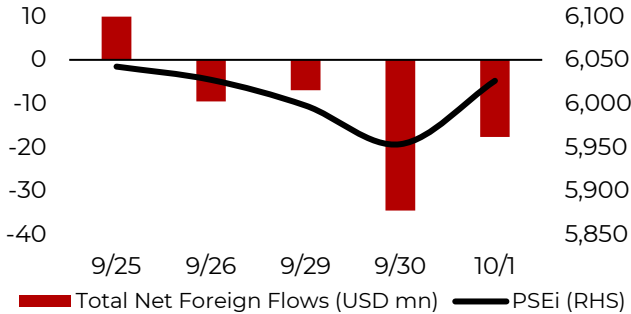


# The Morning View

October 2, 2025

## Philippine Stock Exchange Index

+1.22% DoD; Net foreign selling: \$17.66mn



	Level	DoD
PSEi	6,026.03	+1.22%
3-mo bond yield	4.91%	+0.63 bps
2-yr bond yield	5.57%	+0.57 bps
5-yr bond yield	5.86%	-0.11 bps
10-yr bond yield	6.02%	-0.92 bps
USDPHP	58.12	-0.13%
Oil (Brent, \$ / barrel)	65.35	-2.49%

**The Bangko Sentral ng Pilipinas (BSP) projects September headline inflation to settle within the 1.5% to 2.3% range.** The BSP sees upside risks to the forecast arising from elevated fuel prices, along with higher rice and fish prices amid inclement weather and the 60-day ban on rice imports. Nonetheless, these could be partially offset by the decline in vegetables and meat prices along with lower electricity rates.

**Manila Water Company, Inc. (PSE Ticker: MWC) announced the completion of its takeover of the Wawa Bulk Water Supply Project from Prime Infrastructure Capital, Inc. for Php37.8 billion.** The project is intended to augment Metro Manila's supply, which is currently dependent on the Angat Dam.

**Local equities** rebounded amid bargain hunting, snapping a 7-day decline. The PSEi closed at 6,026.03 (+1.22% DoD).

**Local fixed income yields** ended mixed, and the **Philippine peso** strengthened as investors digested the narrower Philippine trade deficit in August and the surprise rise in US job openings in August. Investors also weighed the start of the US government shutdown, which placed pressure on the greenback.

On average, yields rose by 0.77 bps, with the 2Y closing at 5.57% (+0.57 bps) and the 10Y closing at 6.02% (-0.92 bps).

The USD/PHP pair closed at 58.12 (-0.13% DoD).

**The US government shutdown started on October 1 after the Senate failed to pass a short-term funding bill.** Key data such as those related to agriculture, employment, economic growth, and inflation could be delayed. Meanwhile, key services like social security, federal health insurance, jobless benefits, and air traffic control would remain operational.

**S&P Global US Manufacturing Purchasing Managers' Index (PMI) declined to 52.0 in September (August: 53.0, Consensus: 52.0).** This marks the fourth consecutive month where US manufacturing activity came in higher than the 50.0 threshold for expansion. However, the softer reading was due to weaker growth in new orders amid moderating demand and tariff-related cost pressures.

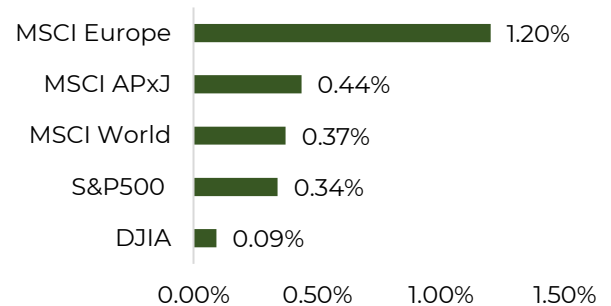
**US equities** rose near all-time highs, **US Treasury yields** dropped, and the **US dollar** weakened as investors weighed the US government shutdown, and the weaker-than-expected ADP private payrolls report, which showed a loss of 32,000 in August.

The S&P 500 closed at 6,711.20 (+0.34% DoD), while the DJIA ended at 46,441.10 (+0.09% DoD).

On average, yields fell by 4.15 bps, with the 2Y closing at 3.54% (-7.10 bps) and the 10Y closing at 4.10% (-5.20 bps).

The DXY closed at 97.71 (-0.07% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	6,711.20	+0.34%
DJIA	46,441.10	+0.09%
3-mo US Treasury yield	3.94%	-0.50 bps
2-yr US Treasury yield	3.54%	-7.10 bps
5-yr US Treasury yield	3.67%	-7.00 bps
10-yr US Treasury yield	4.10%	-5.20 bps
DXY	97.71	-0.07%

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