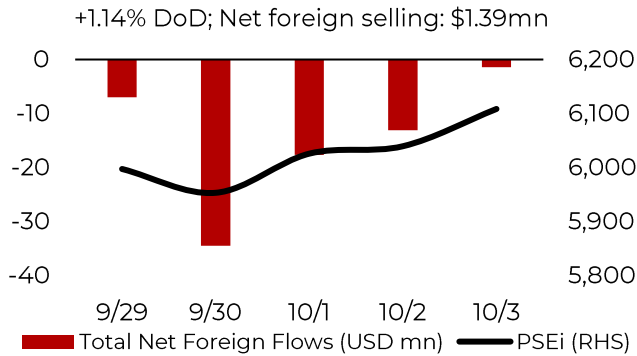


The Morning View

October 6, 2025

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,108.86	+1.14%
3-mo bond yield	4.92%	+2.45 bps
2-yr bond yield	5.58%	+0.70 bps
5-yr bond yield	5.86%	+0.19 bps
10-yr bond yield	6.02%	+0.59 bps
USD/PHP	57.88	-0.35%
Oil (Brent, \$ / barrel)	64.53	+0.66%

According to a BusinessWorld poll, 10 of 16 analysts expect the Bangko Sentral ng Pilipinas (BSP) to hold interest rates steady in its October 9 monetary policy meeting. This was amid lingering upside risks to inflation due to the rice import ban and rice tariff hike. However, some analysts point to below-target inflation and moderate economic growth as factors that could support a rate cut.

Manila Electric Co. (PSE Ticker: MER) has been allowed by the Department of Energy to proceed with the bidding for 200 megawatts (MW) of renewable energy. Energy Undersecretary Mario Marasigan said the department issued a certificate of conformity for the 200-MW requirement, while the 600-MW and 450-MW supply requirements were still under review.

Local equities rose amid continued bargain hunting and a series of net foreign outflows. The PSEi closed at 6,108.86 (+1.14% DoD).

Local fixed income yields inched up amid expectations of a faster PH inflation print. Bloomberg consensus estimates local headline inflation to accelerate to 2.0% in September from August's 1.5%. On average, yields rose by 0.58 bps, with the 2Y closing at 5.58% (+0.70 bps) and the 10Y closing at 6.02% (+0.59 bps).

The **Philippine peso** strengthened as the uncertainty surrounding the US government shutdown weighed on the US dollar. The USD/PHP pair closed at 57.88 (-0.35% DoD).

Federal Reserve Vice Chair Philip Jefferson reiterated that both sides of the Fed's dual mandate are under pressure, citing the downside risks to employment and the upside risks to inflation. He said that the recent 25-bp rate cut was appropriate to support the labor market while maintaining a balanced approach to promoting the Fed's dual-mandate objectives.

US Institute for Supply Management (ISM) services Purchasing Managers' Index (PMI) dropped to 50.0 in September (August: 52.0, Consensus: 51.7). The reading hit 50.0, which marks the breakeven point between expansion and contraction. This indicates stagnation in the services sector amid slowing new orders and lower export demand.

US equities inched higher, and the **US dollar** weakened following the weaker-than-expected September US ISM Services PMI report, which supports the case for more Fed rate cuts.

The S&P 500 closed at 6,715.79 (+0.01% DoD), while the DJIA ended at 46,758.28 (+0.51% DoD).

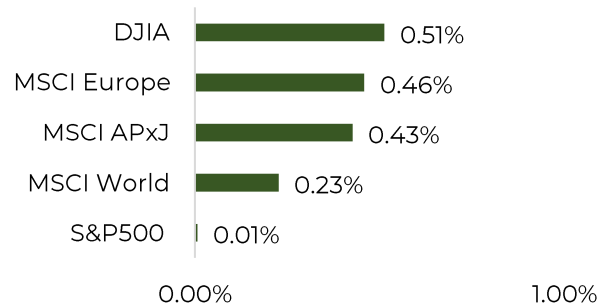
The DXY closed at 97.72 (-0.13% DoD).

US Treasury yields rose as investors weighed the potential impact of the US government shutdown reaching its third day. On average, yields rose by 1.87 bps, with the 2Y closing at 3.58% (+3.90 bps) and the 10Y closing at 4.12% (+2.10 bps).

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Global Stock Indices



	Level	DoD
S&P 500	6,715.79	+0.01%
DJIA	46,758.28	+0.51%
3-mo US Treasury yield	3.96%	+2.10 bps
2-yr US Treasury yield	3.58%	+3.90 bps
5-yr US Treasury yield	3.72%	+4.40 bps
10-yr US Treasury yield	4.12%	+2.10 bps
DXY	97.72	-0.13%