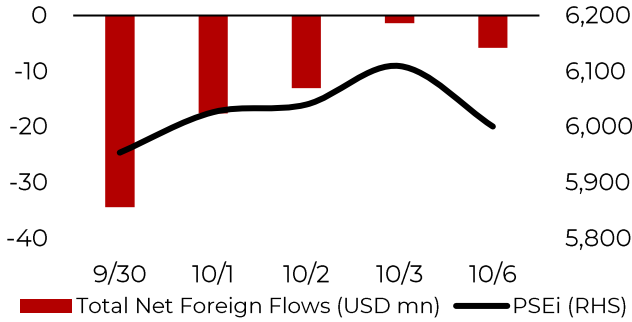


# The Morning View

October 7, 2025

## Philippine Stock Exchange Index

-1.78% DoD; Net foreign selling: \$5.85mn



**The Philippines is looking to implement a one-month rice import window in January 2026, to increase supply by 300,000 metric tons.** Agriculture Secretary Laurel said that they plan to extend the rice import ban until end-2025 to support farmgate prices, and reinstate the ban from February to April 2026.

**International Container Terminal Services, Inc. (PSE Ticker: ICT), secured a 25-year extension of its subsidiaries' concession agreements until 2058.** The agreement includes the management and operation of New Container Terminals 1 and 2 in Subic, Zambales, with an additional \$130 million investment in civil infrastructure and additional equipment.

**Local equities** fell and **local fixed income yields** ended mixed ahead of the September local inflation print, which could influence the Bangko Sentral ng Pilipinas' policy decision later this week.

The PSEi closed at 6,000.32 (-1.78% DoD).

On average, yields rose by 1.12 bps, with the 2Y closing at 5.58% (+0.59 bps) and the 10Y closing at 6.02% (-0.33 bps).

The **Philippine peso** weakened as the US dollar strengthened following Japan's new Prime Minister appointment, which lowered expectations for a rate hike in Japan. The USD/PHP pair closed at 58.35 (+0.82% DoD).

	Level	DoD
PSEi	6,000.32	-1.78%
3-mo bond yield	4.93%	+1.14 bps
2-yr bond yield	5.58%	+0.59 bps
5-yr bond yield	5.88%	+1.99 bps
10-yr bond yield	6.02%	-0.33 bps
USD/PHP	58.35	+0.82%
Oil (Brent, \$ / barrel)	65.47	+1.46%

**Kansas City Fed President Jeff Schmid signaled that he is disinclined to cut interest rates further as the Fed should stay focused on the danger of too-high inflation.** Moreover, Schmid anticipates a relatively muted effect of tariffs on inflation and views that as a sign that policy is 'appropriately calibrated.'

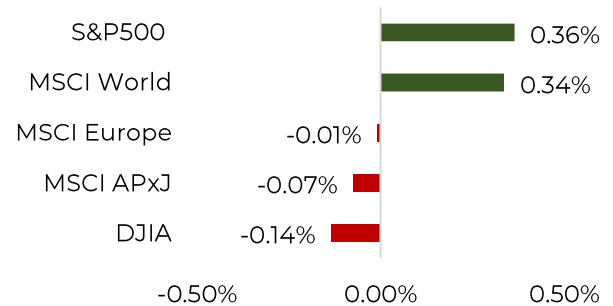
**France Prime Minister Sebastien Lecornu resigned after less than a month in office.** French President Emmanuel Macron tasked Lecornu to hold last-ditch talks with other political parties to define a platform for action and stability for the country.

**US equities** closed mixed as investors digested news that AMD announced a deal with OpenAI to supply AI chips. The S&P 500 closed at a fresh high of 6,740.28 (+0.36% DoD), while the DJIA ended at 46,694.97 (-0.14% DoD).

**US Treasury yields** rose as investors monitored the state of the US economy as the government shutdown continued. Markets also looked ahead to speeches of several Fed officials this week. On average, yields rose by 2.03 bps, with the 2Y closing at 3.59% (+1.2 bps) and the 10Y closing at 4.16% (+3.5 bps).

The **US dollar** strengthened following the hawkish remarks of Schmid as well as the political developments in Japan and France. The DXY closed at 98.11 (+0.39% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	6,740.28	+0.36%
DJIA	46,694.97	-0.14%
3-mo US Treasury yield	3.95%	-0.80 bps
2-yr US Treasury yield	3.59%	+1.20 bps
5-yr US Treasury yield	3.74%	+1.90 bps
10-yr US Treasury yield	4.16%	+3.50 bps
DXY	98.11	+0.39%

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