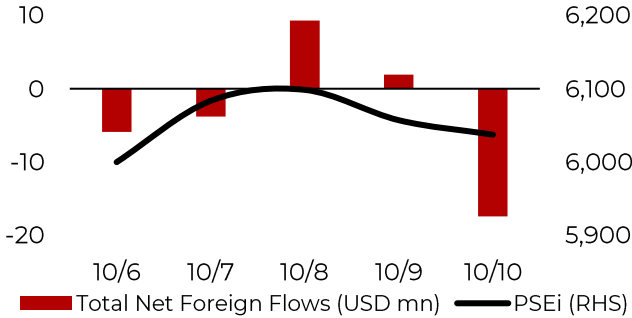


The Morning View

October 13, 2025

Philippine Stock Exchange Index

-0.32% DoD; Net foreign selling: \$17.34mn



	Level	DoD
PSEi	6,037.79	-0.32%
3-mo bond yield	4.97%	-0.38 bps
2-yr bond yield	5.51%	-4.26 bps
5-yr bond yield	5.75%	-6.62 bps
10-yr bond yield	5.96%	-4.11 bps
USDPHP	58.24	+0.01%
Oil (Brent, \$ / barrel)	62.73	-3.82%

The Philippine banking system's non-performing loans (NPL) ratio rose to a nine-month high of 3.50% in August (July: 3.40%).

The banks' total loan portfolio was flat MoM at Php15.709 trillion, while gross NPLs rose 2.7% MoM to Php550.10 billion. Analysts attribute the rise in NPLs to early stress in the consumer and micro, small, and medium enterprises segments, stemming from elevated cost pressures and recent weather-related disruptions.

Megawide Construction Corp. (PSE Ticker: MWIDE) announced that the Securities and Exchange Commission has approved its follow-on offering of up to 20 million preferred shares, with an oversubscription option up to 10 million additional shares. If fully subscribed, the offering is expected to generate net proceeds of up to Php2.97 billion, which are intended for debt refinancing, financing of pipeline projects, and general corporate purposes.

Local equities fell, **local fixed income yields** declined, and the **Philippine peso** was flat as investors continued to weigh the Bangko Sentral ng Pilipinas' surprise rate cut due to a softening economic growth outlook amid governance issues.

The PSEi closed at 6,037.79 (-0.32% DoD).

On average, yields fell by 3.58 bps, with the 2Y closing at 5.51% (-4.26 bps) and the 10Y closing at 5.96% (-4.11 bps).

The USD/PHP pair closed at 58.24 (+0.01% DoD).

Fed Governor Christopher Waller continued to support lowering policy rates but said that the central bank needs to be cautious amid conflicting economic signals. Meanwhile, St. Louis Fed President Alberto Musalem saw room for one more rate cut to support the labor market, but urged caution as inflation remained above the Fed's 2% target.

US President Donald Trump imposed an additional 100% tariff on imports from China and implemented new export controls on critical software by November 1. The move follows China's decision to tighten export controls on rare earth elements and refining equipment.

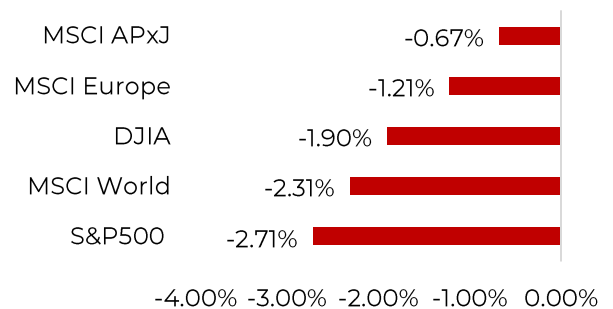
US equities slipped, **US Treasury yields** dropped, and the **US dollar** weakened as the US government shutdown entered its 10th day. This was also following US President Trump's threats of higher tariffs on Chinese goods. Trump later reassured over the weekend that the trade tensions with China will be resolved, calming investors' jitters.

The S&P 500 closed at 6,552.51 (-2.71% DoD), while the DJIA ended at 45,479.60 (-1.90% DoD).

On average, yields fell by 7.33 bps, with the 2Y closing at 3.50% (-9.10 bps) and the 10Y closing at 4.04% (-10.40 bps).

The DXY closed at 98.98 (-0.56% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,552.51	-2.71%
DJIA	45,479.60	-1.90%
3-mo US Treasury yield	3.95%	-0.90 bps
2-yr US Treasury yield	3.50%	-9.10 bps
5-yr US Treasury yield	3.63%	-11.20 bps
10-yr US Treasury yield	4.04%	-10.40 bps
DXY	98.98	-0.56%

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