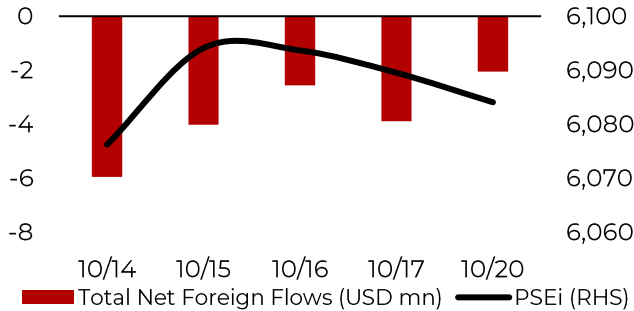


The Morning View

October 21, 2025

Philippine Stock Exchange Index

-0.09% DoD; Net foreign selling: \$2.04mn



	Level	DoD
PSEi	6,084.07	-0.09%
3-mo bond yield	4.94%	-2.67 bps
2-yr bond yield	5.41%	-0.86 bps
5-yr bond yield	5.70%	+0.97 bps
10-yr bond yield	5.92%	-3.12 bps
USDPHP	58.17	+0.02%
Oil (Brent, \$ / barrel)	61.01	-0.46%

US President Donald Trump and Australian Prime Minister Anthony Albanese signed a critical minerals agreement to counter China's control over supply. The two nations committed to invest at least \$1 billion each over the next six months into mining and processing projects.

China's 3Q25 gross domestic product (GDP) growth slowed to 4.8% YoY (2Q25: 5.2% YoY; Consensus: 4.7%). Growth was dragged by lower domestic demand and property investment offset by increased industrial production.

US equities rose and US Treasury yields ended mixed after White House economic advisor Kevin Hassett said that the US government shutdown could end this week. Moreover, the rise in equities were buoyed by Apple Inc. shares reaching a new record high amid strong demand for the latest iPhone.

The S&P 500 closed at 6,735.13 (+1.07% DoD), while the DJIA ended at 46,706.58 (+1.12% DoD).

On average, yields fell by 0.52 bps, with the 2Y closing at 3.46% (+3.10 bps) and the 10Y closing at 3.98% (+0.60 bps).

The **US dollar** strengthened as the yen weakened after Japan's right-wing opposition backed Sanae Takaichi's premiership, fueling potential fiscal concerns. The DXY closed at 98.59 (+0.16% DoD).

The PH balance of payments (BoP) surplus sharply fell to \$82.0 million in September (-98% YoY) amid a persistent trade-in-goods deficit. This brought the year-to-date BoP to a \$5.315-billion deficit. Meanwhile, gross international reserves rose to \$109.1 billion (+2% YoY) as of end-September, enough to cover 7.3 months of imports of goods and payments of services and primary income.

Converge ICT Solutions, Inc. (PSE Ticker: CNVRG) expects its Bifrost and SEA-H2X international cable systems to be operational by end-2025. The Bifrost will link the Philippines with Singapore, Indonesia, and the US, while the first phase of SEA-H2X will connect La Union and Singapore.

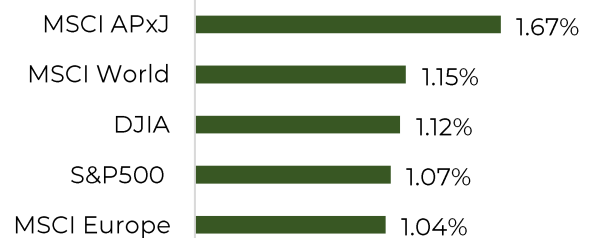
Local equities inched down and the **Philippine peso** slightly weakened after BSP reported that the country's BoP surplus sharply narrowed in September. Investors also stayed on the sidelines ahead of the local corporate earnings season.

The PSEi closed at 6,084.07 (-0.09% DoD).

The USD/PHP pair closed at 58.17 (+0.02% DoD).

Local fixed income yields fell amid easing US-China trade tensions after Trump said that the 100% tariff on China is not sustainable. This was also after Fed's Musalem supported an October rate cut. On average, yields fell by 0.72 bps, with the 2Y closing at 5.41% (-0.86 bps) and the 10Y closing at 5.92% (-3.12 bps).

Global Stock Indices



0.00% 0.50% 1.00% 1.50% 2.00%

	Level	DoD
S&P 500	6,735.13	+1.07%
DJIA	46,706.58	+1.12%
3-mo US Treasury yield	3.89%	-5.90 bps
2-yr US Treasury yield	3.46%	+3.10 bps
5-yr US Treasury yield	3.57%	+2.60 bps
10-yr US Treasury yield	3.98%	+0.60 bps
DXY	98.59	+0.16%

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