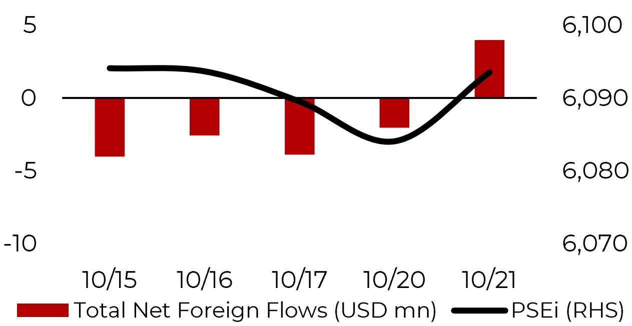
BPI WEALTH

The Morning View

October 22, 2025

Philippine Stock Exchange Index

+0.16% DoD; Net foreign buying: $3.97mn



	Level	DoD
PSEi	6,093.53	+0.16%
3-mo bond yield	4.94%	-0.61 bps
2-yr bond yield	5.40%	-0.87 bps
5-yr bond yield	5.71%	+1.13 bps
10-yr bond yield	5.97%	+4.72 bps
USDPHP	58.23	+0.09%
Oil (Brent, $ / barrel)	61.32	+0.51%

The International Monetary Fund (IMF) warned that frequent typhoons could slow the Philippines' growth and fuel inflation. It estimated that a Category 5 storm could lift headline and food inflation by 0.4 percentage point (ppt) and 0.7 ppt, respectively. It also added that weather shocks could lower agricultural labor productivity and reduce economic growth by 0.4 ppt.

Maynilad Water Services, Inc. set its final offer price for its initial public offering (IPO) at Php15.00 per share, below the initial Php20.00. The IPO is seen to raise up to Php34.3 billion in gross proceeds from as much as 2.29 billion shares, potentially making it the largest IPO in the Philippines since 2021.

Local equities inched up amid bargain hunting after three consecutive days of decline. The PSEi closed at 6,093.53 (+0.16% DoD).

Local fixed income yields were mixed after the Bureau of the Treasury fully awarded its reissued seven- and 25-year bonds at mixed rates. On average, yields rose by 0.30 bps, with the 2Y closing at 5.40% (-0.87 bps) and the 10Y closing at 5.97% (+4.72 bps).

The **Philippine peso** slightly weakened as the US dollar inched up after traders weighed reduced odds of further Bank of Japan rate hikes following the election of a new Japanese Prime Minister. The USD/PHP pair closed at 58.23 (+0.09% DoD).

A Reuters poll showed that economists expect the Federal Reserve to cut interest rates twice more in 2025. The survey said that the Fed appears to have prioritized the weakening labor market over the already-elevated inflation. However, the government shutdown continues to cloud economic outlook.

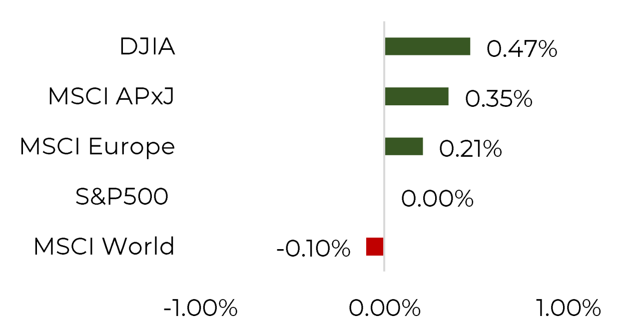
The Japanese parliament elected Sanae Takaichi as the nation's Prime Minister, replacing Shigeru Ishiba. As a protégé of former Prime Minister Shinzo Abe, analysts expect Takaichi to call for higher spending, tax cuts, and loose monetary policy.

US equities rose as investors digested a slew of strong 3Q25 corporate earnings results, including General Motors, GE Aerospace, 3M, and Coca-Cola. The S&P 500 closed at 6,735.35 (+0.00 DoD), while the DJIA ended at 46,924.74 (+0.47% DoD).

US Treasury yields ended lower after investors turned optimistic on a resolution regarding the US government shutdown. This was following the comments from White House Economic Council Director Kevin Hassett said that the shutdown is likely to end this week. On average, yields fell by 1.16 bps, with the 2Y closing at 3.46% (0.00 bps) and the 10Y closing at 3.97% (-1.70 bps).

The **US dollar** strengthened as the yen weakened after Sanae Takaichi was elected as Japan's Prime Minister. The DXY close at 98.93 (+0.35% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,735.35	+0.00%
DJIA	46,924.74	+0.47%
3-mo US Treasury yield	3.89%	0.00 bps
2-yr US Treasury yield	3.46%	0.00 bps
5-yr US Treasury yield	3.57%	-0.90 bps
10-yr US Treasury yield	3.97%	-1.70 bps
DXY	98.93	+0.35%