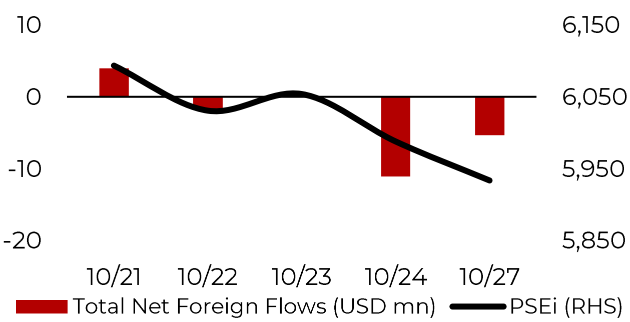
# The Morning View

BPI WEALTH

October 28, 2025

## Philippine Stock Exchange Index

-0.91% DoD; Net foreign selling: $5.33mn




| | Level | DoD |
|---|---|---|
| PSEi | 5,933.76 | -0.91% |
| 3-mo bond yield | 4.90% | -2.38 bps |
| 2-yr bond yield | 5.42% | +0.91 bps |
| 5-yr bond yield | 5.71% | +0.71 bps |
| 10-yr bond yield | 5.99% | +0.60 bps |
| USDPHP | 58.90 | +0.47% |
| Oil (Brent, $ / barrel) | 65.62 | -0.49% |

**Bangko Sentral ng Pilipinas Monetary Board member Benjamin Diokno said that he expects another 25-bp rate cut in the December policy meeting, with possible further easing next year.** He noted that the central bank remains data-dependent and will monitor growth, employment, and inflation for its decisions. Moreover, he expects inflation to fall within the central bank's target of 2-4% until 2027.

**Manila Electric Company (PSE Ticker: MER) reported a consolidated core net income of Php40.0 billion (+14% YoY) for 9M25.** Earnings were driven by a 63% YoY surge in its power generation business, and an 8% YoY increase in its distribution segment. Meanwhile, its retail energy supply segment fell by 41% YoY due to weaker trading gains.

**Local equities** fell after the depreciation of the Philippine peso against the US dollar dampened market sentiment. The PSEi closed at 5,933.76 (-0.91% DoD).

**Local fixed income yields** inched up ahead of the Fed's policy decision this week. On average, yields rose by 0.12 bps, with the 2Y closing at 5.42% (+0.91 bps) and the 10Y closing at 5.99% (+0.60 bps).

The **Philippine peso** weakened to a 10-month low after former BSP Governor Diokno said that he sees another potential rate cut in December. The USD/PHP pair closed at 58.90 (+0.47% DoD).

**US President Donald Trump and Japanese Prime Minister Sanae Takaichi are set to meet in Tokyo to talk about trade, security, and rare earth minerals.** Japan is expected to offer a package of US investments in a $550-billion deal agreed this year, which includes shipbuilding and higher purchases of soybeans, natural gas, and pickup trucks. Additionally, the two nations are preparing joint documents on securing rare earths and other critical minerals.

**European firms remained optimistic about their prospects for 4Q25 despite deteriorating profits and slower credit growth, according to surveys from the European Central Bank.** Inflation expectations were also broadly steady, but firms continue to expect inflation to stay above the ECB's 2% target in the medium term.

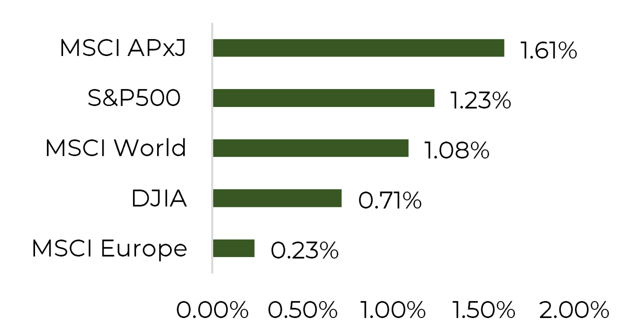
**US equities** rose to new all-time highs, **US Treasury yields** ended mixed, and the **US dollar** weakened amid easing trade tensions after US President Trump said that the US and China are set to "come away with" a trade deal, lifting market optimism. Moreover, this was also ahead of the Fed meeting later this week.

The S&P 500 closed at 6,875.16 (+1.23% DoD), while the DJIA ended at 47,544.59 (+0.71% DoD).

On average, yields fell by 1.66 bps, with the 2Y closing at 3.5% (+0.90 bps) and the 10Y closing at 3.98% (-2.20 bps).

The DXY closed at 98.78 (-0.17% DoD).

## Global Stock Indices




| | Level | DoD |
|---|---|---|
| S&P 500 | 6,875.16 | +1.23% |
| DJIA | 47,544.59 | +0.71% |
| 3-mo US Treasury yield | 3.82% | -3.60 bps |
| 2-yr US Treasury yield | 3.50% | +0.90 bps |
| 5-yr US Treasury yield | 3.60% | -0.30 bps |
| 10-yr US Treasury yield | 3.98% | -2.20 bps |
| DXY | 98.78 | -0.17% |