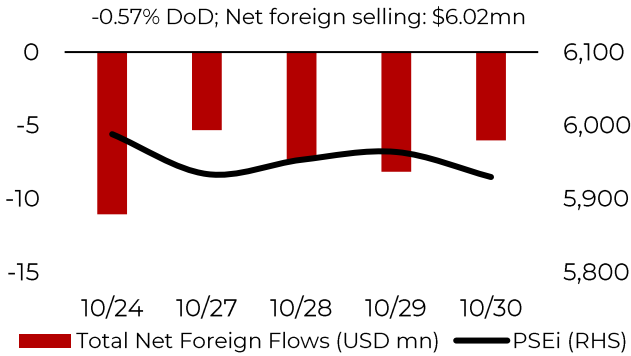


The Morning View

November 3, 2025

Philippine Stock Exchange Index



	Level	DoD
PSEi	5,929.68	-0.57%
3-mo bond yield	4.90%	-0.30 bps
2-yr bond yield	5.39%	-0.93 bps
5-yr bond yield	5.70%	-1.03 bps
10-yr bond yield	5.94%	-4.17 bps
USDPHP	58.85	+0.27%
Oil (Brent, \$ / barrel)	65.00	+0.12%

As of October 30, 2025

Federal Reserve officials are divided over the latest rate cut and the policy path ahead. Logan and Schmid argued that the labor market does not need any rate cuts, while Hammack called for greater restraint to curb inflation. Bostic also expressed reluctance toward the recent policy move amid concerns on inflation. In contrast, Fed Governor Waller said that he still advocates for a rate cut in December to support the weakening labor market.

US Treasury Secretary Scott Bessent said that certain sectors of the US economy, particularly housing, may already be in recession due to high interest rates. He reiterated his call for the Fed to cut rates more quickly, arguing that tighter monetary policy has created distributional and sectoral imbalances.

US equities rose, US Treasury yields fell, and the US dollar strengthened as investors digested the mixed signals from several Fed officials. Meanwhile, equity gains were led by Amazon shares after its strong quarterly earnings report.

The S&P 500 closed at 6,840.20 (+0.26% DoD), while the DJIA ended at 47,562.87 (+0.09% DoD).

On average, yields fell by 1.35 bps, with the 2Y closing at 3.58% (-3.60 bps) and the 10Y closing at 4.08% (-2.20 bps).

The DXY closed at 99.80 (+0.28% DoD).

The Bangko Sentral ng Pilipinas' (BSP) expects the October inflation rate to settle between 1.4% to 2.2% YoY, slower than the 2.3% print last October 2024. BSP mentioned that upside pressures to inflation may stem from higher prices of rice, vegetables, and electricity, as well as the depreciation of peso. Meanwhile, lower prices of oil, meat, and fruits may have tempered price pressures.

Manila Electric Co. (PSE Ticker: MER) anticipates flat energy sales this year as milder weather dampens demand. Despite MER's customer base increasing to 8.4 million (+2% YoY), overall consumption still declined compared to 2024 when the extreme heat of the El Niño raised demand. Nonetheless, the company expects sales to climb in 2026 as the temperature normalizes.

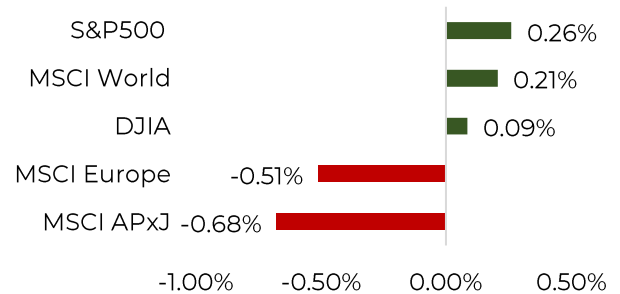
Local equities fell, and the Philippine peso weakened following Fed Chair Powell's comment that a policy rate cut in December is not a foregone conclusion. Meanwhile, **local fixed income yields ended lower** as investors awaited the release of the October local inflation print.

The PSEi closed at 5,929.68 (-0.57% DoD).

On average, yields fell by 1.06 bps, with the 2Y closing at 5.39% (-0.93 bps) and the 10Y closing at 5.94% (-4.17 bps).

The USD/PHP pair closed at 58.85 (+0.27% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,840.20	+0.26%
DJIA	47,562.87	+0.09%
3-mo US Treasury yield	3.83%	-1.90 bps
2-yr US Treasury yield	3.58%	-3.60 bps
5-yr US Treasury yield	3.69%	-3.30 bps
10-yr US Treasury yield	4.08%	-2.20 bps
DXY	99.80	+0.28%

As of October 31, 2025

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