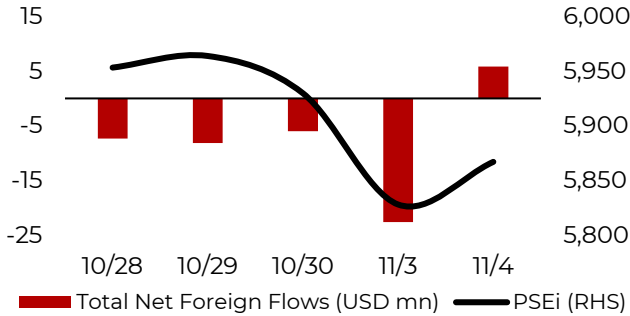


The Morning View

November 5, 2025

Philippine Stock Exchange Index

+0.67% DoD; Net foreign buying: \$5.80mn



	Level	DoD
PSEi	5,867.04	+0.67%
3-mo bond yield	4.90%	-0.23 bps
2-yr bond yield	5.36%	-1.90 bps
5-yr bond yield	5.69%	-0.97 bps
10-yr bond yield	5.93%	-1.64 bps
USDPHP	58.52	-0.47%
Oil (Brent, \$ / barrel)	64.44	-0.69%

According to Bangko Sentral ng Pilipinas (BSP) Deputy Governor Zeno Abenoja, Philippine headline inflation is projected to accelerate until 1H26, driven by base effects and expected adjustments in utility rates. However, inflation is likely to ease in 2H26 as global oil prices stabilize. The BSP forecasts inflation to rise to 3.1% in 2026 before moderating to 2.8% in 2027.

Aboitiz Power Corporation's (PSE Ticker: AP) renewable energy arm, AP Renewable Energy Corp., announced a Php7.6 billion project that could add 179 megawatts of capacity to the grid. Construction is planned to begin in 2Q26 with operations expected to begin by early 2028.

Local equities rebounded as investors bargain hunted after the index fell to a seven-month low. The PSEi closed at 5,867.04 (+0.67% DoD).

Local fixed income yields fell after the reissued five- and ten-year Treasury bonds saw strong demand. On average, yields fell by 0.65 bps, with the 2Y closing at 5.36% (-1.90 bps) and the 10Y closing at 5.93% (-1.64 bps).

The **Philippine peso** strengthened ahead of the October local headline inflation, which the market expects to be faster than the previous month. Investors also weighed mixed signals from US Fed officials Cook, Daly, Goolsbee, and Miran. The USD/PHP pair closed at 58.52 (-0.47% DoD).

The US government shutdown hit 35 days, matching the longest in history. Congress failed to approve a stopgap measure to fund the government leading to the extended shutdown. During the shutdown, food assistance for the poor, payrolls of federal workers, and the release of government data were all halted.

Japan's S&P Global Manufacturing Purchasing Managers' Index (PMI) sank to 48.2 in October (September: 48.5). The PMI stayed below the 50.0 threshold, indicating a contraction in factory activity, and hit its lowest since March 2024. The weaker reading was driven by slower new orders amid weak demand.

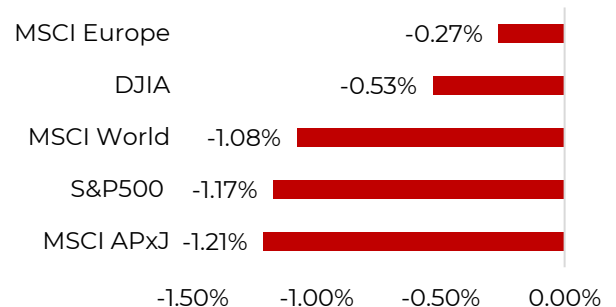
US equities slipped as investors grew concerned about equity market valuations after Goldman Sachs and Morgan Stanley warned of a potential correction. The S&P 500 closed at 6,771.55 (-1.17% DoD), while the DJIA ended at 47,085.24 (-0.53% DoD).

US Treasury yields declined, and the **US dollar** strengthened as investors look towards Federal Reserve Vice Chair Michelle Bowman's speech this week. Markets also weighed the state of the economy as the government shutdown continues, delaying the release of the job openings and labor turnover survey.

On average, yields fell by 2.33 bps, with the 2Y closing at 3.58% (-2.90 bps) and the 10Y closing at 4.09% (-2.50 bps).

The DXY closed at 100.22 (+0.35% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,771.55	-1.17%
DJIA	47,085.24	-0.53%
3-mo US Treasury yield	3.89%	+1.00 bps
2-yr US Treasury yield	3.58%	-2.90 bps
5-yr US Treasury yield	3.70%	-2.60 bps
10-yr US Treasury yield	4.09%	-2.50 bps
DXY	100.22	+0.35%

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