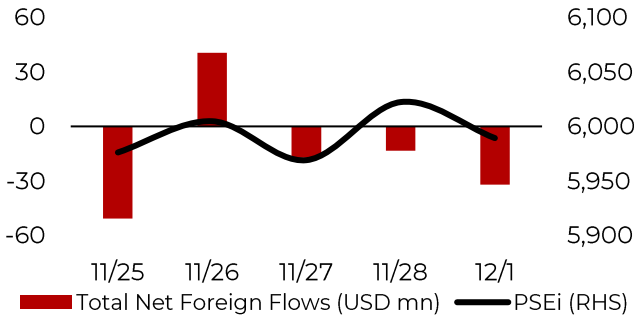


The Morning View

December 2, 2025

Philippine Stock Exchange Index

-0.55% DoD; Net foreign selling: \$31.96mn



	Level	DoD
PSEi	5,989.29	-0.55%
3-mo bond yield	4.89%	+0.66 bps
2-yr bond yield	5.22%	+1.12 bps
5-yr bond yield	5.56%	+0.35 bps
10-yr bond yield	5.95%	+1.05 bps
USD/PHP	58.49	-0.26%
Oil (Brent, \$ / barrel)	63.17	-0.05%

Philippine manufacturing activity sharply fell in November, with the S&P Global Philippines Manufacturing Purchasing Managers' Index (PMI) dropping to a four-year low of 47.4 (October: 50.1). The decline was due to lower output and new orders amid weak demand and typhoon-related disruptions. The Philippines was the only country that saw a deterioration in manufacturing activity among ASEAN members in November.

International Container Terminal Services Inc. (PSE Ticker: ICT) announced the opening of its new logistics and industrial center through CLIA Pouso Alegre, its unit in Brazil. The facility now contains 30,000 square meters (sqm) of bonded area, 2,000 sqm of certified refrigerated storage, and a container depot.

Local equities declined as the drop in the manufacturing PMI to a four-year low dampened market sentiment. The PSEi closed at 5,989.29 (-0.55% DoD).

Local fixed income yields inched higher ahead of the release of the November local inflation data, which the Bangko Sentral ng Pilipinas estimates to settle within the 1.1% to 1.9% range. On average, yields rose by 0.52 bps, with the 2Y closing at 5.22% (+1.12 bps) and the 10Y closing at 5.95% (+1.05 bps).

The **Philippine peso** slightly strengthened as investors continued to weigh increasing expectations of a Fed rate cut in December. The USD/PHP pair closed at 58.49 (-0.26% DoD).

The US Institute for Supply Management (ISM) Manufacturing Purchasing Managers' Index (PMI) fell to 48.2 in November (October: 48.7; Consensus: 49.0). The reading stayed below 50 for the ninth straight month, indicating a sustained contraction. This was due to weaker demand, shrinking backlogs, and higher input prices from persistent tariff headwinds.

The HCOB Eurozone Manufacturing PMI fell back into contraction territory at 49.6 in November (October: 50.0; Consensus: 49.7), marking a five-month low. The downturn reflected weaker demand, with both new orders and export orders declining, prompting firms to cut jobs.

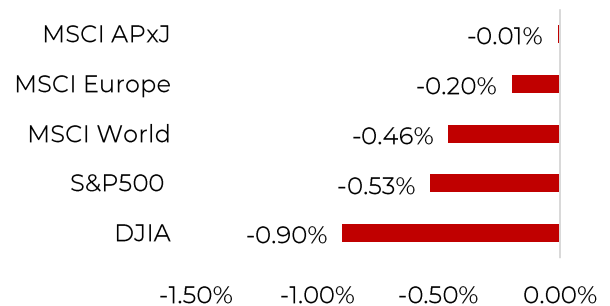
US equities inched down, and **US Treasury yields** jumped as investors digested the weaker-than-expected November US ISM Manufacturing PMI.

The S&P 500 closed at 6,812.63 (-0.53% DoD), while the DJIA ended at 47,289.33 (-0.90% DoD).

On average, yields rose by 3.29 bps, with the 2Y closing at 3.53% (+3.90 bps) and the 10Y closing at 4.09% (+7.10 bps).

The **US dollar** weakened after the yen strengthened due to Governor Ueda's comment that the Bank of Japan will consider the "pros and cons" of raising interest rates in December. The DXY closed at 99.41 (-0.05% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,812.63	-0.53%
DJIA	47,289.33	-0.90%
3-mo US Treasury yield	3.78%	-3.40 bps
2-yr US Treasury yield	3.53%	+3.90 bps
5-yr US Treasury yield	3.67%	+6.80 bps
10-yr US Treasury yield	4.09%	+7.10 bps
DXY	99.41	-0.05%

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