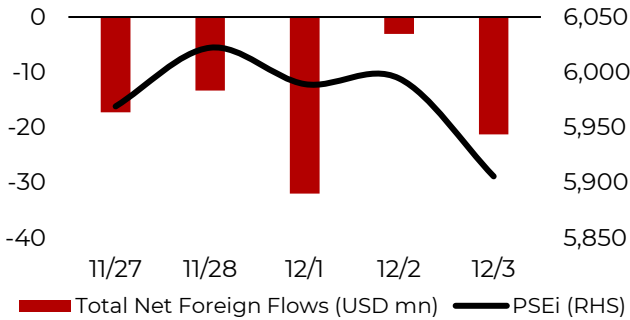


The Morning View

December 4, 2025

Philippine Stock Exchange Index

-1.48% DoD; Net foreign selling: \$21.26mn



	Level	DoD
PSEi	5,905.84	-1.48%
3-mo bond yield	4.88%	-0.85 bps
2-yr bond yield	5.21%	-0.97 bps
5-yr bond yield	5.55%	-1.70 bps
10-yr bond yield	5.92%	-2.02 bps
USDPHP	58.92	+0.68%
Oil (Brent, \$ / barrel)	62.67	+0.35%

Bangko Sentral ng Pilipinas (BSP) Governor Remolona said that slow economic growth raises odds of further rate cuts. Remolona sees FY25 gross domestic product (GDP) growth undershooting the government's target of 5.5%-6.5% and settling between 4%-5% amid slower government spending and weakened investor confidence due to the graft scandal.

PLDT Inc. (PSE Ticker: TEL) maintained its credit rating of BBB with S&P Global Ratings, attributed to its moderating capital expenditure (capex). S&P Global also upgraded the company's management and governance score to neutral after delivering on its planned capex reduction and plans to further lower the budget next year.

Local equities fell amid continued net foreign selling and as the weakness in the Philippine peso dampened market sentiment. Meanwhile, **local fixed income yields** declined, and the **Philippine peso** weakened after BSP Governor Remolona said that the government could miss its FY25 economic growth target, raising the odds that the BSP could cut rates in December.

The PSEi closed at 5,905.84 (-1.48% DoD).

On average, yields fell by 1.26 bps, with the 2Y closing at 5.21% (-0.97 bps) and the 10Y closing at 5.92% (-2.02 bps).

The USD/PHP pair closed at 58.92 (+0.68% DoD).

US Institute for Supply Management (ISM) services Purchasing Managers' Index (PMI) inched up to 52.6 in November (October: 52.4; Consensus: 52.0). The stronger-than-expected reading was supported by spending from higher-income households and a seasonal lift in employment from holiday hiring. However, input costs remained high, indicating that inflation pressures in the services sector are still persistent.

The ADP National Employment Report showed that US private payrolls fell by 32,000 in November, reversing October's revised gain of 42,000 and missing forecasts for a 10,000 increase. It was the steepest drop in over two years, driven by small firms losing 120,000 jobs, which offset gains at medium and large businesses.

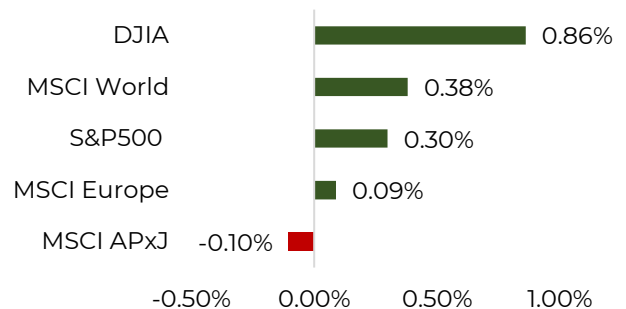
US equities gained, **US Treasury yields** slipped, and the **US dollar** weakened after the below-consensus November private payrolls data bolstered bets of further policy easing in the Fed's December meeting.

The S&P 500 closed at 6,849.72 (+0.30% DoD), while the DJIA ended at 47,882.90 (+0.86% DoD).

On average, yields fell by 2.83 bps, with the 2Y closing at 3.49% (-2.40 bps) and the 10Y closing at 4.07% (-2.30 bps).

The DXY closed at 98.85 (-0.51% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,849.72	+0.30%
DJIA	47,882.90	+0.86%
3-mo US Treasury yield	3.72%	-4.70 bps
2-yr US Treasury yield	3.49%	-2.40 bps
5-yr US Treasury yield	3.63%	-2.60 bps
10-yr US Treasury yield	4.07%	-2.30 bps
DXY	98.85	-0.51%